

Report on the operations of the Petrol Group and the company Petrol d.d., Ljubljana in the first six months of 2016



August 2016

PETROL

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STATEMENT OF THE MANAGEMENT BOARD

Members of the Management Board of Petrol d.d., Ljubljana, which comprises Tomaž Berločnik, President of the Management Board, Rok Vodnik, Member of the Management Board, Igor Stebernak, Member of the Management Board, and Ika Krevzel Panič, Member of the Management Board/Worker Director, declare that to their best knowledge:

- the financial report of the Petrol Group and Petrol d.d., Ljubljana for the first six months of 2016 has been drawn up in accordance with International Financial Reporting Standards and gives a true and fair view of the assets and liabilities, financial position, financial performance and comprehensive income of the company Petrol d.d., Ljubljana and other companies included in the consolidation as a whole;
- the business report of the Petrol Group and Petrol d.d., Ljubljana for the first six months of 2016 gives a fair view of the development and results of the Company's operations and its financial position, including the description of significant risks that the company Petrol d.d., Ljubljana and other companies included in the consolidation are exposed to as a whole;
- the report of the Petrol Group and Petrol d.d., Ljubljana for the first six months of 2016 contains a fair presentation of significant transactions with related entities, which has been prepared in accordance with International Financial Reporting Standards.

Tomaž Berločnik

President of the Management Board

Rok Vodnik

Member of the Management Board

Igor Stebernak

Member of the Management Board

Ika Krevzel Panič

Member of the Management Board/Worker Director

INTRODUCTORY NOTES

The report on the operations of the Petrol Group and the company Petrol, d.d., Ljubljana, Dunajska 50, in the first six months of 2016 has been published in accordance with the Market in Financial Instruments Act, the Ljubljana Stock Exchange Rules, Guidelines on Disclosure for Listed Companies and other relevant legislation.

The figures and explanation of the operations are based on unaudited consolidated financial statements of the Petrol Group and unaudited financial statements of the company Petrol d.d., Ljubljana for the first six months of 2016 prepared in compliance with the Companies Act and IAS 34 – Interim Financial Reporting.

Subsidiaries are included in the consolidated financial statements prepared in accordance with IFRS on the basis of the full consolidation method, while jointly controlled entities and associates are included on the basis of the equity method.

In the separate financial statements prepared in accordance with IFRS, investments in subsidiaries, jointly controlled entities and associates are carried at historical cost.

The report on the operations in the first six months of 2016 has been published on the website of Petrol d.d., Ljubljana (<http://www.petrol.si>), and is available on demand at the registered office of Petrol d.d., Ljubljana, Dunajska cesta 50, 1000 Ljubljana, every working day between 8 am and 3 pm.

The Company's Supervisory Board discussed the report on the operations of the Petrol Group and the company Petrol d.d., Ljubljana in the first six months of 2016 at its meeting held on 25 August 2016.

Table 1: Profile of the parent company Petrol d.d., Ljubljana

Company name	Petrol, slovenska energetska družba, d.d., Ljubljana
Abbreviated company name	Petrol d.d., Ljubljana
Registered office	Dunajska cesta 50, 1000 Ljubljana
Telephone	(01) 47 14 234
Telefax	(01) 47 14 809
Website	http://www.petrol.si
Activity code	47,301
Company registration number	5025796000
Tax number	SI 80267432
Share capital	EUR million 52.24
Number of shares	2.086.301
President of the Management board	Tomaž Berločnik
Members of the Management board	Rok Vodnik, Janez Živko, Ika Krevzel Panič (worker director)
President of the Supervisory board	Tomaž Kuntarič

List of acronyms and explanation of financial ratio calculations

Ratio/acronym	Explanation
SEE	South Eastern Europe
Merchandise	Consists of automotive products, foodstuffs, accessories, tobacco and lottery products, coupons and cards, coffee-to-go, chemical products, wood biomass.
EBITDA	Operating profit or loss + regular depreciation and amortisation
Earnings per share	Net profit or loss for the period / weighted average number of issued ordinary shares, excluding own shares
Book value of share	Equity as at period end / total number of shares

HIGHLIGHTS

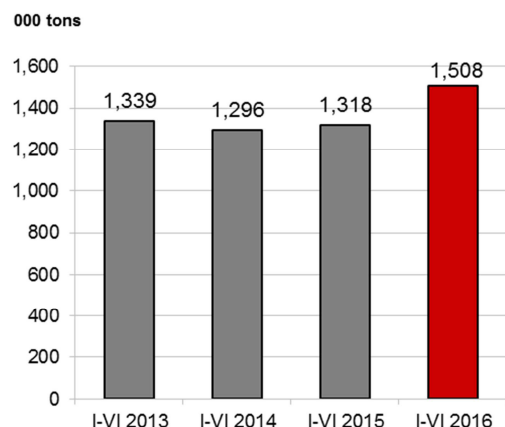
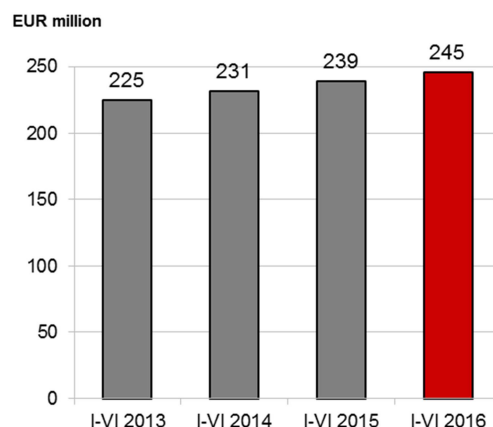
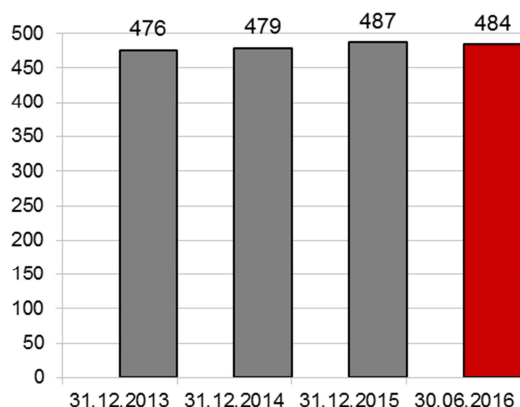
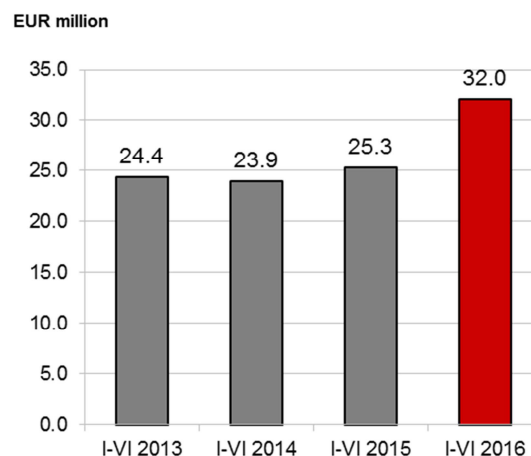
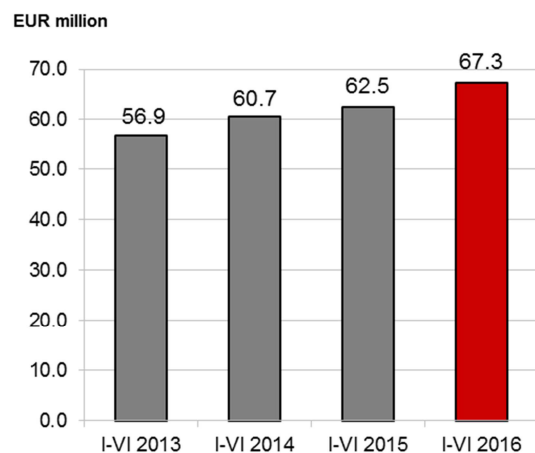
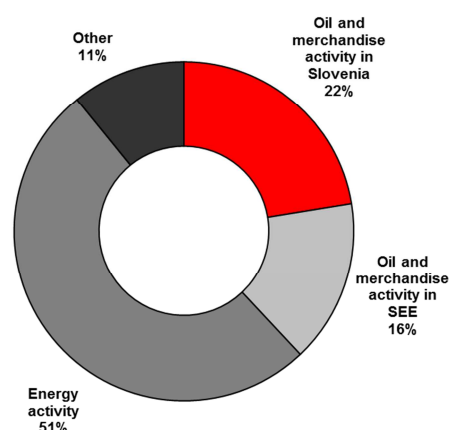
The Petrol Group's significant performance indicators

The Petrol Group	Unit	I-VI 2016	I-VI 2015	Index 2016 / 2015
Net sales revenues	EUR million	1,707.4	1,818.8	94
Gross profit or loss	EUR million	174.1	165.9	105
Operating profit or loss	EUR million	44.2	40.8	108
Net profit or loss	EUR million	32.0	25.3	127
EBITDA	EUR million	65.8	62.3	106
Cash flow from operating activities before changes in working capital	EUR million	67.3	62.5	108
Non-current (long-term) assets as at period end	EUR million	806.9	800.6	101
Earnings per share	EUR	15.5	12.3	127
Net debt / Equity		0.7	1.0	72
Net debt / EBITDA ¹		2.7	3.3	82

¹ Calculated on an annual level

The Petrol Group	Unit	I-VI 2016	I-VI 2015	Index 2016 / 2015
Volume of petroleum products sold	million tons	1.5	1.3	114
Volume of liquefied petroleum gas sold	thousand tons	69.2	37.1	186
Volume of natural gas sold	million m ³	66.3	68.6	97
Electricity sold	TWh	7.6	6.4	118
Heat sold	thousand MWh	75.9	73.1	104
Revenue from the sale of merchandise	EUR million	245.4	238.7	103
Investments in fixed assets	EUR million	23.2	37.8	61
Number of service stations as at period end ¹		484	487	99

¹ Number of service stations for the year 2015 as at 31 December 2015.

Figure 1: Volume of petroleum products sold by the Petrol Group

Figure 2: The Petrol Group's revenue from the sale of merchandise

Figure 3: Increase in the number of the Petrol Group's service stations

Figure 4: Net profit or loss of the Petrol group

Figure 5: Cash flow from operating activities before changes in the Petrol Group's working capital

Figure 6: Breakdown of the Petrol Group's investments in the first six months of 2016


BUSINESS REPORT

Operations of the Petrol Group

The Petrol Group operates in a competitive environment influenced by oil price fluctuations, global and domestic economic developments, and national laws governing the pricing of energy products. Slovenia's economic situation is improving, but Croatia and other SE Europe countries which are part of Petrol's sales market still face extremely tough economic conditions, low purchasing power, high unemployment and lack of payment discipline. In Slovenia, the selling prices of petroleum products were higher than in most neighbouring countries.

Table 2: The Petrol Group's financial performance indicators

The Petrol Group	EUR million		
	I-VI 2016	I-VI 2015	Index 2016 / 2015
Net sales revenues	1,707.4	1,818.8	94
Gross profit or loss	174.1	165.9	105
EBITDA	65.8	62.3	106
Net profit or loss	32.0	25.3	127
Non-current (long-term) assets as at period end	806.9	800.6	101

In the first six months of 2016, the Petrol Group sold 1.5 million tons of petroleum products¹, up 14 percent from the same period of 2015. In **Slovenia**, the six-month sales of petroleum products stood at 748.6 thousand tons, accounting for 50 percent of the Petrol Group's total sales. In the same period, the Group sold 396.0 thousand tons of petroleum products in **SEE** markets, representing 26 percent of the Petrol Group's total sales, and 363.0 thousand tons in **EU markets**, which represented 24 percent of the Group's total sales.

In the first six months of 2016, the Petrol Group generated 45 percent of petroleum product sales in the retail market and 55 percent in the wholesale market. At the end of June 2016, the Petrol Group's retail network consisted of 484 service stations, of which 314 were in Slovenia, 105 in Croatia, 36 in Bosnia and Herzegovina, 9 in Serbia, 9 in Montenegro and 11 in Kosovo.

The Petrol Group generated EUR 245.4 million in revenue from the sale of merchandise in the period under review, an increase of 3 percent compared to the same period of the previous year.

In the same period, the Petrol Group sold 69.2 thousand tons of liquefied petroleum gas, a year-on-year increase of 86 percent, and 46.4 thousand tons (66.3 million m³) of natural gas or 3 percent less than in the same period of the previous year.

In addition, the Petrol Group sold 7.6 TWh of electricity, which was 18 percent more than in the same period of the previous year, and 75.9 thousand MWh of heat, up 4 percent from the same period of the previous year.

¹ The figure is inclusive of liquefied petroleum gas sales, which are described in more detail and presented separately also under energy operations.

What follows is a detailed presentation of the Petrol Group's operations in the first six months of 2016 broken down by type of activity:

- A. Oil and merchandise sales in Slovenia
- B. Oil and merchandise sales in EU markets
- C. Oil and merchandise sales in SEE markets
- D. Energy operations

A. Oil and merchandise sales in Slovenia

The company engaged in oil and merchandise sales in Slovenia in the first six months of 2016 was Petrol d.d., Ljubljana².

During this period, the Petrol Group's oil and merchandise sales in Slovenia resulted in an **EBITDA** of EUR 35.2 million, which accounted for 54 percent of the Petrol Group's total EBITDA and was on a par with the previous year's figure for this period.

The Petrol Group's sales of petroleum products in Slovenia

In the first six months of 2016, the Petrol Group sold 748.6 thousand tons of petroleum products in Slovenia³, a year-on-year increase of 8 percent. Of this quantity, liquid fuels accounted for 723.9 thousand tons and other petroleum products for 24.7 thousand tons. Motor fuel sales (petrol and diesel fuel) were up 9 percent compared to the previous year's figures for this period.

Key impacts on operations

Fuel pricing in Slovenia

In Slovenia, fuel prices were set in accordance with the Decrees Setting Prices for Petroleum Products in force from 9 October 2015 to 8 February 2016, from 9 February to 8 April 2016, from 9 April to 8 June 2016 and from 9 June to 8 July 2016. In all decrees, the model-based margin applicable to government-regulated petroleum products was set at a fixed amount (EUR 0.08701 per litre of petrol and EUR 0.08158 per litre of diesel fuel).

Since 9 April 2016, the prices of the 98-octane and higher-octane petrol and of extra light heating oil have been liberalised and set by the market.

Slovenia's gross margins for petroleum products which are, under the model, set at a fixed amount and do not reflect changes in retail prices are still below European average. In the case of petrol, they amounted to 73 percent of the average gross margin in the EU countries (64 percent if the compulsory stocks membership fee is not taken into account) and in the case of diesel fuel to 59 percent (52 percent if the compulsory stocks membership fee is not taken into account) (own calculations based on Platts and Oil Bulletin data).

²Activities supporting oil and merchandise sales are also performed by the company Petrol-Trade Handelsges.m.b.H. The company Petrol Tehnologija, d.o.o. was merged into the parent company Petrol d.d., Ljubljana in May 2016.

³The figure is inclusive of liquefied petroleum gas sales, which are described in more detail and presented separately also under energy operations.

On 7 July 2016, the Government of the Republic of Slovenia adopted a new Decree Setting Prices for Petroleum Products, which will be in force from 9 July to 8 September 2016. Under the new decree, the pricing system for the 95-octane petrol in diesel fuel remains unchanged and the model-based margin applicable to the two government-regulated petroleum products is still fixed, at EUR 0.08701 per litre of the 95-octane petrol and EUR 0.08158 per litre of diesel fuel.

Changes in oil and petroleum product prices in the world market

The average price of Brent Dated North Sea crude oil stood at USD 39.82 per barrel in the first six months of 2016, down 31 percent year-on-year. The average price in euros was down 33 percent. During this period, the price of Brent crude peaked on 8 June 2016, reaching USD 50.72 per barrel. Its lowest price was recorded on 20 January 2016 at USD 25.99 per barrel. The prices of petrol and middle distillates followed the same trends as crude oil prices.

Figure 7: Changes in Brent Dated High oil price in the first six months of 2016 in USD/barrel



SOURCE: Petrol, 2016

Figure 8: Changes in Brent Dated High oil price in the first six months of 2016 in EUR/barrel



SOURCE: Petrol, 2016

After dipping below USD 30 per barrel in January 2016, oil prices rose again in February and March as Saudi Arabia, Russia, Venezuela and Qatar first published their plans to freeze supply. On the supply side, Iran became an important player after the international sanctions had been lifted and has significantly increased oil output, which is, however, still below pre-sanction levels. At the April meeting in Doha, OPEC failed to come to an agreement to freeze oil production. In the second quarter, oil prices rose mainly on account of lower oil stocks in the United States, increase in global oil demand, and oil and gas supply disruptions in Canada and Nigeria. Also spurring oil prices were the results of the EU referendum in the United Kingdom.

Oil price movements will continue to depend largely on the situation in the Middle East and in Iran as well as on economic growth expectations, US and EU oil stocks figures, and demand in China.

Changes in the US dollar to the euro exchange rate

The US dollar to the euro exchange rate ranged between 1.07 and 1.16 USD/EUR in the first six months of 2016. The average exchange rate of the US dollar according to the exchange rate of the European Central Bank stood at 1.12 US dollars for 1 euro in the period concerned.

The Petrol Group's sales of merchandise in Slovenia

In Slovenia, the Petrol Group generated EUR 215.3 million in revenue from the sale of merchandise in the first six months of 2016, an increase of 2 percent compared to the same period of the previous year. The range at Petrol's points of sale is modified and expanded as we try to mitigate the impact of adverse economic conditions by quickly adapting the range to the needs of our service station customers.

The Petrol Group's sales of services in Slovenia

Services consist of revenue from storage and petroleum-product handling services, renting of business premises and hospitality facilities, transport, carwash services, revenue from Petrol Club cards, and other services. In the first six months of 2016, the Petrol Group generated EUR 15.9 million in revenue from the services related to oil and merchandise sales in Slovenia.

B. Oil and merchandise sales in EU markets

The companies engaged in oil and merchandise sales in EU markets in the first six months of 2016 were Petrol d.d., Ljubljana and Petrol-Trade Handelsges.m.b.H.

During this period, the Petrol Group's oil and merchandise sales in EU markets resulted in an **EBITDA** of EUR 2.8 million, which accounted for 4 percent of the Petrol Group's total EBITDA and was on a par with the previous year's figure for this period.

The Petrol Group's sales of petroleum products in EU markets

In the first six months of 2016, the Petrol Group sold 363.0 thousand tons of petroleum products in EU markets, a year-on-year increase of 52 percent. The most important commodity sold in the EU markets is diesel fuel.

C. Oil and merchandise sales in SEE markets

The following companies were engaged in oil and merchandise sales in SEE markets in the first six months of 2016:

- Petrol d.d., Ljubljana,
- Petrol d.o.o.,
- Petrol BH Oil Company d.o.o., Sarajevo,
- Petrol d.o.o. Beograd,
- Petrol Crna Gora MNE d.o.o.,
- Petrol Plin d.o.o. and
- Petrol LPG d.o.o. Beograd.

In addition to these companies, the jointly controlled entity Petrol - Oti - Slovenija L.L.C. is also engaged in oil and merchandise sales in SEE markets.

In the period concerned, the Petrol Group's oil and merchandise sales in SEE markets resulted in an **EBITDA** of EUR 14.4 million, which accounted for 22 percent of the Petrol Group's total EBITDA and was 16 percent higher compared to the previous year's figure for this period.

The Petrol Group's sales of petroleum products in SEE markets

In the first six months of 2016, the Petrol Group sold 396.0 thousand tons of petroleum products⁴ in SEE markets, a year-on-year increase of 3 percent.

In addition, the jointly controlled entity Petrol - Oti - Slovenija L.L.C. sold 5.0 thousand tons of petroleum products, up 17 percent from the same period of the previous year.

Key impacts on operations

Fuel pricing in Croatia

Since 20 February 2014, when the Oil and Petroleum Products Market Act entered into force and fully liberalised the pricing of petroleum products, the prices of petroleum products in Croatia have been set freely in accordance with market conditions.

⁴ The figure is inclusive of liquefied petroleum gas sales, which are described in more detail and presented separately also under energy operations.

Fuel pricing in Bosnia and Herzegovina

In Bosnia and Herzegovina, the prices of petroleum products are not government-regulated and are set freely in accordance with market conditions. The prices normally change weekly. In the Federation of Bosnia and Herzegovina, retailers notify the Federal Ministry of Commerce of new retail prices four days in advance, whereas in the Republic of Srpska changes in retail prices need not be notified in advance. Due to the free setting of prices, retail fuel prices vary according to the location of a service station.

Fuel pricing in Serbia

Since the legislation liberalising Serbia's oil market (unregulated imports of oil and petroleum products) entered into force on 1 January 2011, the prices of petroleum products have no longer been government-regulated and are set freely in accordance with market conditions.

Fuel pricing in Montenegro

In Montenegro, the prices of petroleum products are set in accordance with the Regulation on the Method of Setting Maximum Retail Prices, which has been in force since 1 January 2011. The prices change fortnightly, provided that prices on the oil market (Platts European Marketscan) and the exchange rates of the euro and the US dollar change by more than 5 percent. In addition to market oil prices and changes in the exchange rates of the euro and the US dollar, the methodology used to calculate selling prices includes taxes, the costs of transshipment, handling, bank charges, storage, transport and distribution, as well as (excise) duties and an oil companies' gross margin. The oil companies' gross margin amounts to EUR 0.063 per litre of petrol, EUR 0.064 per litre of eurodiesel and EUR 0,076 per litre of extra light heating oil. In addition to the above gross margins, liquid fuel traders may factor in all of the above costs, meaning that the total gross margin amounts to EUR 0.113 per litre of petrol, EUR 0.114 per litre of eurodiesel and EUR 0.102 per litre of extra light heating oil.

Fuel pricing in Kosovo

In Kosovo, retail and wholesale prices of petroleum products are not government-regulated. Only in the case of sales of petroleum products to government institutions and state-owned companies are prices set in accordance with the prescribed methodology, which takes into account average monthly market prices, changes in the exchange rate of the euro and the US dollar, logistics costs and the maximum margin. These prices represent an unofficial basis for retail prices, which change according to market fuel prices.

The Petrol Group's sales of merchandise in SEE markets

The Petrol Group generated EUR 24.4 million in revenue from the sale of merchandise in SEE markets in the first six months of 2016, an increase of 9 percent compared to the same period of the previous year. The best results were achieved in tobacco and food sales.

Procurement and logistics of petroleum products and merchandise

Efficient procurement and logistics of petroleum products and merchandise are key factors of the Petrol Group's successful operating performance. Petrol buys most of its petroleum products from the largest multinational oil companies and some from major global oil and petroleum products traders. Many years of continuous cooperation with reliable and competitive suppliers give Petrol the status of a partner. As in 2015, purchased petroleum products were mostly delivered by sea in the period concerned.

Petroleum products logistics is primarily concerned with ensuring a cost-efficient and uninterrupted supply to all of the Petrol Group's markets.

In the procurement of merchandise, the main goal and task is to ensure availability of goods and provide adequate support for the provision of services at service stations in Slovenia and in SE Europe while attempting to secure optimal procurement terms. On the operational level, merchandise is procured directly from manufacturers, official distributors and strategic business partners. When putting together our range, we take into account customer requests, market shares for specific goods, as well as prices and product quality.

D. Energy operations

In the first six months of 2016, energy operations resulted in an **EBITDA** of EUR 13.4 million, which accounted for 20 percent of the Petrol Group's total EBITDA and was 12 percent higher compared to the previous year's figure for this period.

Gas and heat

The following companies were engaged in the sale of gas and heat in the first six months of 2016:

- Petrol d.d., Ljubljana,
- Petrol Energetika d.o.o.,
- Petrol d.o.o.,
- Petrol Plin d.o.o.,
- Petrol BH Oil Company d.o.o., Sarajevo,
- Petrol LPG d.o.o. Beograd,
- Petrol d.o.o. Beograd,
- Rodgas AD Bačka Topola,
- Beogas AD and
- Petrol-Trade Handelsges.m.b.H.

At the end of June 2016, the Petrol Group operated 30 gas supply concessions in Slovenia (24 for the supply of natural gas and 6 for the supply of liquefied petroleum gas) and, in Serbia, supplied natural gas to the municipalities of Bačka Topola and Pećinci as well as three Belgrade municipalities. In addition, the company Petrol Plin d.o.o. has LPG supply contracts in the towns of Šibenik and Rijeka.

In the first six months of 2016, the Petrol Group sold 69.2 thousand tons of liquefied petroleum gas, a year-on-year increase of 86 percent, mainly thanks to the consolidation of LPG sales of the company Petrol LPG d.o.o. Beograd (at the end of 2015). It also sold 46.4 thousand tons (66.3 million m³) of natural gas or 3 percent less than in the same period of the previous year.

Heat was supplied to customers through district heating systems. In the period concerned, the Group sold 75.9 thousand MWh of heat or 4 percent more than in the comparable period of the previous year.

Electricity

The following companies were engaged in the production, sale, distribution and trading of electricity in the first six months of 2016:

- Petrol d.d., Ljubljana,
- Petrol Energetika d.o.o.,
- Petrol d.o.o. Beograd,
- Petrol d.o.o.,
- Petrol Crna Gora MNE d.o.o.,
- Petrol BH Oil Company d.o.o., Sarajevo,
- Petrol-Energetika DOOEL Skopje,
- Petrol Bucharest Rom S.R.L and
- Petrol Praha CZ s.r.o.

At the end of 2015, Petrol d.d., Ljubljana formed a Bosnia and Herzegovina based company Petrol Hidroenergija d.o.o. Teslić, which is to produce hydroelectricity. In 2016 the companies Vjetroelektrarne Glunča d.o.o. (Croatia), which will be engaged in the production of wind electricity, and Petrol Trade Slovenija L.L.C. (Kosovo), a company engaged in electricity trading, were established.

In the first six months of 2016, the Petrol Group sold 7.6 TWh of electricity, a year-on-year increase of 18 percent.

The Petrol Group has positioned itself as an important electricity market player. It set up a complete infrastructure for wholesale electricity trading in Slovenia, EU countries and in the neighbouring countries, and for the sale of electricity to end users in Slovenia (businesses and households). At the end of June 2016, the Petrol Group supplied electricity to more than 49 thousand households.

Environmental and energy solutions

The following companies were engaged in environmental and energy solutions in the first six months of 2016:

- Petrol d.d., Ljubljana and
- Petrol Energetika d.o.o.

Environmental solutions

In the first six months of 2016, the Petrol Group operated four concessions for the public utility service of municipal wastewater treatment. The capacity of the treatment plant in Murska Sobota is 42,000 population equivalents (PE), in Sežana 6,000 PE, in Ig and Matena 6,000 PE and in Mežica 4,000 PE. Petrol also managed industrial waste treatment plants at Vevče Paper Mill and Paloma. As an important member of the company Aquasystems d.o.o., Petrol d.d., Ljubljana is also involved in the treatment of municipal wastewater in the Municipality of Maribor, the capacity of which is 190,000 PE.

At all waste treatment plants, the treatment process and financial performance were in line with the plan in the period concerned.

The Petrol Group is also involved in energy production from waste. At Ihan and Črnomelj biogas plants, Petrol processes organic waste to produce green electricity and is Slovenia's biggest producer of green electricity from organic waste. For greater efficiency, Petrol built in Ihan a dehydration plant for sludge obtained from treatment plants. Dehydrated sludge is transformed into secondary fuel.

In the first six months of 2016, the Petrol Group generated EUR 2.7 million in revenue from environmental solution services, of which EUR 1.0 million was attributable to electricity sales.

Energy solutions

The area of energy solutions comprises an energy range consisting of:

- the preparation of alternative solutions for supplying heat and other forms of energy (energy packages) to households and small-business customers;
- the implementation of more complex comprehensive energy solutions projects;
- the production of energy from renewable sources.

In the first six months of 2016, the public economic service of public lighting was performed in several municipalities, accompanied by other energy solutions projects.

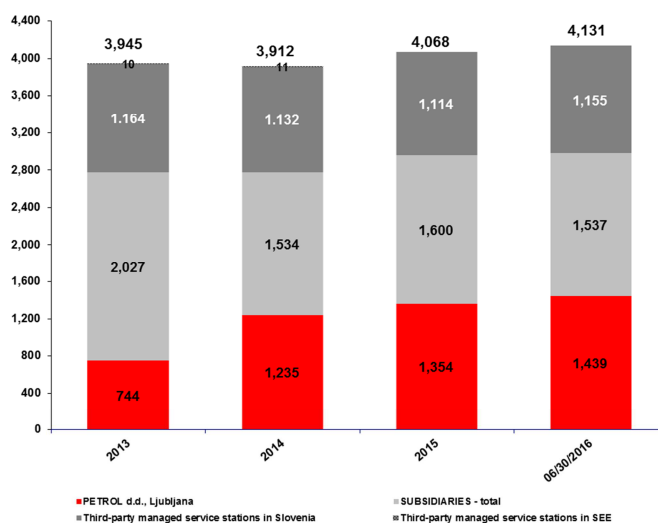
In the area of energy solutions, the Petrol Group generated during this period EUR 5.7 million in revenue from the sale of merchandise (mostly wood biomass) and EUR 4.7 million in revenue from the sale of energy products and services, of which EUR 1.0 million was attributable to the sale of electricity and heat.

Sustainable development

Employees

On 30 June 2016, the Petrol Group had 4,131 employees, of which 33 percent worked for subsidiary companies abroad. The number of employees increased by 63 compared to the end of 2015. Staff numbers rose mainly at third-party managed service stations and in the company Petrol d.o.o.

Figure 9: Changes in the number of employees of the Petrol Group and at third-party managed service stations in the period 2013 – 2016



Employee structure

At the end of June 2016, the average age of the Petrol Group employees was 39.5 years. Sixty-five percent of the employees were male and 35 percent were female.

The educational structure of the Petrol Group has been improving over the years. This is a result of employee training on the one hand and HR policy on the other. Newly hired employees with higher education thus improve the educational structure, while at the same time employees with lower education leave the company. It should be noted that the Petrol Group has a keen interest in training its employees, as knowledge represents one of Petrol's key competitive advantages.

Training

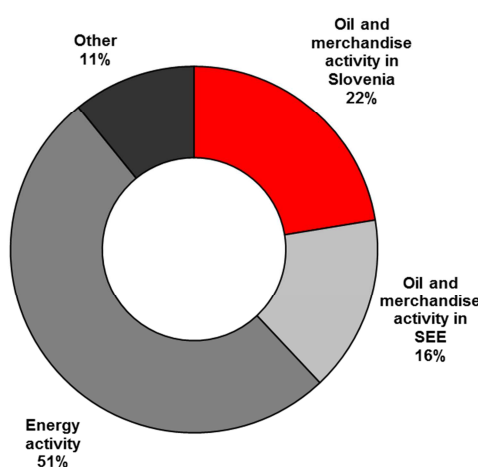
In the first six months of 2016, 9,148 employees took part in various forms of training. In all, the Petrol Group provided 49,115 teaching hours of training, which represented, on average, 12 teaching hours of training per employee in the period concerned. Organised as part of the Petrol Group is Petrol Academy. Its main goal is systematic and comprehensive training of all

employees. In the first six months of 2016, the Group carried out technical and legally required training.

Investments

In the first six months of 2016, EUR 23.2 million was allocated to investments in property, plant and equipment, intangible assets and long-term investments. Out of the above amount, 22 percent was allocated to oil and merchandise sales in Slovenia, 16 percent to oil and merchandise sales in SE Europe, 51 percent to energy operations and 11 percent to the upgrading of information and other infrastructure.

Figure 10: Breakdown of the Petrol Group's investments in the first six months of 2016



The quality management system

The Petrol Group's operations are based on the implementation of strict quality standards. Since 1997, we have been constantly upgrading and expanding the Group's quality management system. In addition to the certified quality and environmental management systems, the comprehensive quality management system incorporates the requirements of the HACCP food safety management system, of the OHSAS occupational health and safety system and of the ISO 27001 information security system. In 2016 the ISO 50001 energy management system was also incorporated into the quality management system as proof of our systematic approach to continuous improvement in this field and the Company's commitment to sustainable development.

The certification of the energy management system to the ISO 50001 standard was completed in January 2016. The system allows for continuous monitoring of the Company's energy efficiency indicators and control over implemented energy measures. It also encourages active staff involvement in the area of efficient energy consumption and renewable energy sources. The Company's energy management system covers oil and merchandise sale processes, energy and environmental processes as well as Petrol's energy and environmental solutions provided to our customers.

In March 2016, Petrol d.d., Ljubljana was awarded the OHSAS 18001 occupational health and safety certificate for comprehensive solutions processes in the area of district and energy systems, water supply systems, efficient lighting and energy management in buildings.

As a result of the merger of the company Petrol Tehnologija d.o.o. into the parent company Petrol d.d., Ljubljana, ISO 17020 accreditation certificates were transferred to the parent company in May 2016.

Table 3: Overview of certificates and laboratory accreditations

The Company	Quality management system	Environmental management system	Energy management system	Laboratory accreditations	Other certificates
Petrol d.d., Ljubljana	ISO 9001:2008	ISO 14001:2004	ISO 50001:2011	SIST EN ISO/IEC 17025:2012 SIST EN ISO/IEC 17020:2012	OHSAS 18001* RC**, FSC***
Petrol Energetika d.o.o.	ISO 9001:2008	ISO 14001:2004	/	/	
Petrol d.o.o.	ISO 9001:2008	ISO 14001:2004	/	/	
Petrol Geoterm d.o.o.	ISO 9001:2008	/	/	/	
Beogas d.o.o.	ISO 9001:2008	/	/	/	

* Petrol d.d., Ljubljana is a holder of the OHSAS 18001 certificate for comprehensive solutions processes performed by the Energy Solutions organisational unit in the area of district and energy systems, water supply systems, efficient lighting and energy management in buildings.

** Based on the Report on the implementation of the Responsible Care Global Charter commitments, Petrol d.d., Ljubljana became a holder of a Responsible Care Certificate for its activities relating to storage, logistics and retail network of service stations in Slovenia and granted the right to use the initiative's logo.

*** Petrol d.d. Ljubljana is a holder of an FSC certificate for the production of wood chips used for heat generation. The FSC certificate, which is issued by an international NGO called the Forest Stewardship Council, promotes environmentally appropriate, socially beneficial and economically viable management of forests.

In March 2016, Petrol Laboratory received a monitoring visit by SA in connection with its quality management system certified to the SIST EN ISO/IEC 17025 standard.

In March 2016, a follow-up audit of the ISO 9001 quality management system took place at the company Beogas d.o.o. No non-compliance issues were identified in the process.

In the first half of 2016, the quality management system of the subsidiary Petrol d.o.o. was aligned with the requirements of the new edition of the ISO 9001: 2015 standard. In May 2016, a recertification audit of the ISO 9001 quality management systems and the ISO 14001 environmental management systems took place.

In June 2016, a follow-up audit of the ISO 9001 quality management systems, the ISO 14001 environmental management system and the ISO 5001 energy management system of the companies Petrol d.d., Ljubljana and Petrol Energetika d.o.o. was conducted. Both companies passed the audit and no non-compliance issues were identified.

Social responsibility

Caring for social and environmental issues has been part of the Petrol's operations for a number of years. The demands and challenges of our time are addressed based on a long-term growth strategy and a strong awareness that supporting the environment in which we operate significantly affects our operations and development. For many years we have been helping wider social and local communities achieve a dynamic lifestyle and better quality of life. We demonstrate our social responsibility by supporting numerous sports, arts, humanitarian and environmental projects. In the Petrol Group, social responsibility is perceived as a lasting commitment to work together with the environment in which it operates. To celebrate the Slovene Blood Donation Day (4 June), we joined forces with the Slovene Red Cross and the Blood Transfusion Centre of Slovenia to organise the pan-Slovene blood donation initiative "Give Energy for Life!" for the sixth time already. This year's slogan was "Giving is a joy". On 18 May, the International Museum Day, Petrol donated archival exhibits to the Technical Museum of Slovenia (located in Bistra pri Vrhniki) in perpetuity. The exhibits are displayed as part of the exhibition From Pharmacy to Service Station.

Risk management

The Petrol Group manages risks using a comprehensive risk management system, making sure that the Company's key risks are identified, assessed, managed and monitored. In doing that, it aims to develop a risk-awareness culture to ensure better control over the risks and better information for decision-making at all levels of the Group's operation. Risk management concerns each Petrol Group employee who is, as a result of their decisions and actions, exposed to risks on a daily basis while carrying out their work assignments and responsibilities.

Petrol's risk model comprises 20 risk categories that are divided into two groups:

- environment risks and
- performance risks.

According to risk assessment results, the most relevant and probable risks comprise the following financial risks: price, credit, foreign exchange and liquidity risks.

In addition to the main financial risks, the most relevant and probable risks include economic environment risks, interest rate risks, legislation and regulation risks, strategic decision-making risks, commercial risks, and business and financial decision-making risks.

Price and foreign exchange risk

The Petrol Group's business model includes energy products, such as petroleum products, natural gas, electricity and liquefied petroleum gas, exposing the Group to price, quantity and foreign exchange risks arising from the purchase and sale of these products.

The Petrol Group purchases petroleum products under international market conditions, pays for them mostly in US dollars and sells them in local currencies. Because the global oil market and the US dollar market constitute two of the most volatile global markets, the Petrol Group is exposed to both the price risk (changes in the prices of petroleum products) and the foreign exchange risk (changes in the EUR/USD exchange rate) while pursuing its core line of business. The Petrol Group manages quantity and price risks to the largest extent possible by matching suppliers' terms of procurement with the terms of sale applying to customers. The petroleum product pricing model applicable to the Slovene market allows for changes in global petroleum product prices and exchange rates to be passed on to domestic selling prices. Any remaining open price or foreign exchange positions are closed through the use of financial instruments, in particular commodity swaps in the case of price risks and forward contracts in the case of foreign exchange risks.

The Petrol Group plays an increasingly important role in electricity production, sale, distribution and trading, exposing it to price and quantity risks. These are managed with an assortment of limits systems defined depending on the business partner, the area of trading and the value at risk, and with appropriate processes in place to monitor and control these risks.

In addition to the risks arising from changes in the EUR/USD exchange rate, the Petrol Group is exposed, to some degree, also to the risk of changes in other currencies, which is linked to doing business in the region. The Group monitors open foreign exchange positions and decides how to manage them on a monthly basis.

With regard to other foreign exchange exposures, we should point out the risk of changes in the EUR/HRK exchange rate. For this purpose, the impact of changes in the EUR/HRK exchange rate on operations of Croatian-based companies is analysed on a regular basis. The spread between the minimum and maximum level of the EUR/HRK exchange rate stood at 2.7 percent in the first six months of 2016. Thanks to a relatively small exposure and the low volatility of the exchange rate, no forward contracts to hedge the foreign exchange risk were concluded in 2016. In Croatia, the foreign exchange risk in procurement was reduced by substantially increasing the volume of procurement done in HRK in Croatia directly and by placing surplus liquidity with the parent company in euros.

Foreign exchange risks are also encountered in Serbia with regard to the EUR/RSD exchange rate. There, the procurement of petroleum products is done mostly in RSD, which enables us to largely avoid the foreign exchange risks. In the first six months of 2016, the EUR/RSD exchange rate ranged between RSD 123.22 and RSD 120.31 per 1 euro, while the average exchange rate stood at RSD 122.63 per 1 euro.

Transactions with derivatives are entered into only to hedge against price and foreign exchange risks and not for reasons of speculative nature.

Credit risk

The credit risk was assessed as the third most relevant financial risk, to which the Petrol Group is exposed in connection with the sale of goods and services to natural and legal entities. The risk is managed using the measures outlined below.

The operating receivables management system provides us with an efficient credit risk management. In 2016 we introduced some changes to the process of setting and approving credit limits for the entire Petrol Group in order to further improve and harmonise the credit risk management system.

As part of the usual receivables management processes, we keep actively pursuing the collection of receivables, we are quick to discontinue sales on open account to defaulting customers and we accelerated the use of legal remedies to collect receivables. Particular attention is given to individual treatment of major customers or customers in relation to which outstanding receivables balances exceed EUR 250,000. We refine procedures for approving the amount of exposure (limits) to individual buyers and expand the range of first-class credit insurance instruments as a requirement to approve sales (mortgages, pledges, bank guarantees, letters of credit, receivables insurance with credit insurance companies, collaterals, corporate guarantees, securities). A great deal of work is being put into the management of receivables from large customers in Slovenia, and significant attention is also devoted to the collection of receivables in SE Europe markets, where the solvency and payment discipline of the business sector differs from that in Slovenia. Receivables are systematically monitored by age, region and organisational unit as well as by quality and individual customer. The exposure of customers in the Petrol Group's portfolio to the credit risk is monitored at a global level. To monitor receivables, we use a joint computer-based receivables management application, which provides us with automated control over the exposure to individual customers and the possibility to respond immediately. Through experience, the application is being continuously improved. In addition to the above, control over credit insurance instruments received was organisationally centralised and is now performed using a single computer system.

Despite the weak financial strength of some of our customers due to liquidity problems, smaller production and sales volumes and a drop in exports, we estimate that credit risks are adequately managed within the Petrol Group. Our estimate is based on the nature of our products, our market share, our large customer base, the vast range of credit insurance instruments and a higher volume of secured receivables. The Petrol Group too, however, is unable to fully avoid the consequences of bankruptcies, compulsory composition proceedings and personal bankruptcies.

Liquidity risk

The Petrol Group has been assigned a "BBB-" long-term international credit rating, an "A-3" short-term credit rating and a "stable" credit rating outlook by Standard & Poor's Ratings Services, which reaffirmed the ratings on 24 June 2016. This investment-grade rating enables us to tap international financial markets more easily and represents an additional commitment towards successful operations and the deleveraging of the Petrol Group. We are currently introducing relevant S&P's methodology into the management of liquidity risks.

In the first six months of 2016, no additional long-term loans were raised. Operations were financed through the already acquired long-term sources and, partly, through short-term loans. In the first six months of 2016, petroleum product prices were lower than in 2015 despite an increase in the second quarter, meaning that less working capital was needed. At the same time, the acquired long-term and short-term credit lines provide us with a high level of liquidity.

Cash flow management nevertheless requires considerable attention and prudence, especially as regards the planning of cash inflows from lay away sales, this being the main source of credit risks and, consequently, liquidity risks.

The Petrol Group is capable of meeting all of its outstanding liabilities at any given moment. The Group's successful operations in particular are a guarantee for the Group's long-term solvency and boost its equity capital.

Interest rate risk

The Petrol Group regularly monitors its exposure to the interest rate risk. 26 percent of the Group's non-current financial liabilities contain a variable interest rate that is linked to EURIBOR. The average EURIBOR rate was lower in the first six months of 2016 than at the end of 2015 and thus remains historically low (negative). In 2016 the Petrol Group's overall borrowing interest rate was, on average, lower than in 2015. This is the result of low EURIBOR rates and interest rate margins, which had been further reduced.

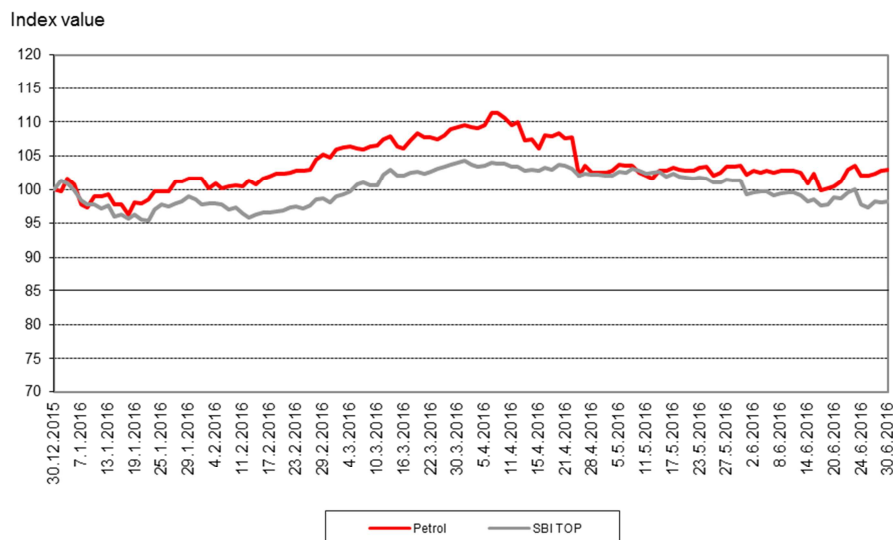
In 2015 we updated the interest rate risk management policy. Limits for interest rate risk exposure reflect the risk of changes to the EURIBOR rate in the coming year and cumulative figures for the next five years.

To hedge against exposure to the interest rate risk, a portion of variable interest rates is transformed into a fixed interest rate using derivative financial instruments, thus protecting our net interest position. When deciding whether to pursue additional hedging activities, forecasts regarding interest rate changes are considered. The time of hedging and the type of instruments used to this effect are determined based on market conditions. In the first six months of 2016, no additional interest rate hedging contracts were concluded.

Petrol's shares

At the end of June 2016, share prices at the Ljubljana Stock Exchange were on average slightly lower than at the end of 2015. This was also reflected in the SBITOP, the Slovene blue-chip index, which is used as a benchmark and provides information on changes in the prices of the most important and liquid shares traded on the regulated market. The index also comprises Petrol's shares. The SBITOP stood at 683.47 as at the end of June 2016 and was down 1.8 percent relative to the end of 2015 (696.15). During this period, Petrol's shares gained 3 percent in value. In terms of trading volume, which in the case of Petrol's shares amounted to EUR 22.9 million between January and June, the shares were ranked second among the shares traded on the Ljubljana Stock Exchange. In terms of market capitalisation, which stood at EUR 549.9 million as at 30 June 2016, the shares were ranked second and accounted for 11.1 percent of the total Slovene stock market capitalisation on the said date.

Figure 11: Base index changes for Petrol d.d., Ljubljana's closing share price and the SBITOP index in the first six months of 2016 compared to the end of 2015



In the first six months of 2016, the price of Petrol's shares ranged between EUR 246.1 and EUR 284.9 per share. Their average price for the period stood at EUR 264.72 and their price as at the end of June 2016 at EUR 263.6. The Petrol Group's earnings per share stood at EUR 15.54, with its book value per share amounting to EUR 266.19. Petrol d.d., Ljubljana had 32,508 shareholders as at 30 June 2016. At the end of June 2016, 477,387 shares or 22.88 percent of all shares were held by foreign legal or natural persons. Compared to the end of 2015, the number of foreign shareholders increased by 1.9 percentage points.

Figure 12: Closing price and the volume of trading in Petrol's shares in the first six months of 2016

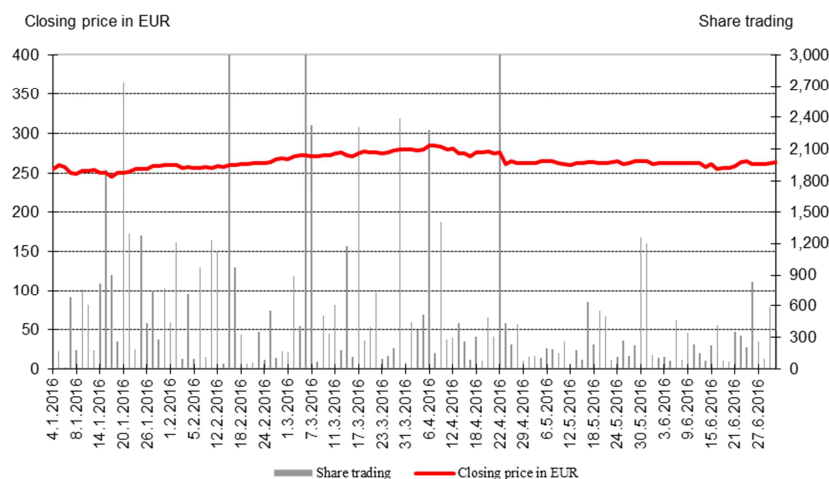
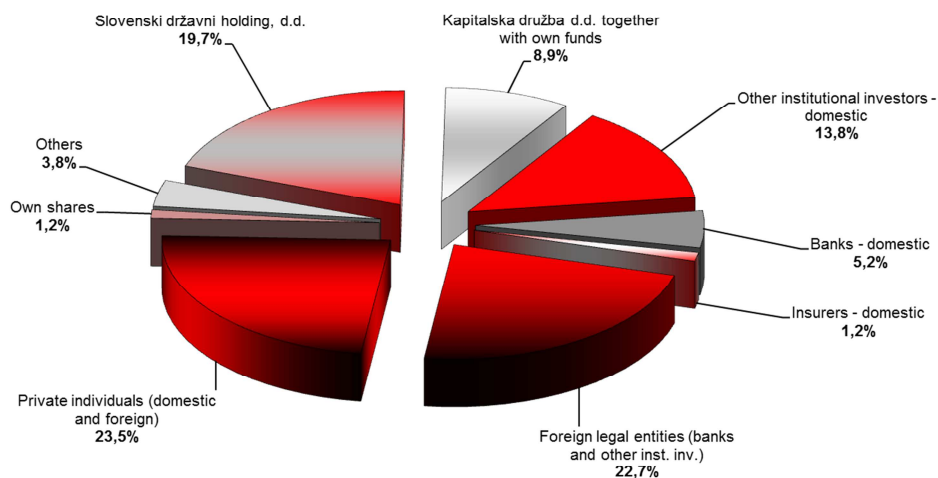


Figure 13: Ownership structure of Petrol d.d., Ljubljana as at 30 June 2016

Table 4: Changes in the ownership structure of Petrol d.d., Ljubljana (comparison between 30 June 2016 and 31 December 2015)

	30 June 2016		31 December 2015	
	No. of Shares	in %	No. of Shares	in %
Slovenski državni holding, d.d.	412,009	19.7%	412,009	19.7%
Kapitalska družba d.d. together with own funds	184,852	8.9%	184,852	8.9%
Other institutional investors - domestic	286,850	13.8%	323,839	15.5%
Banks - domestic	108,632	5.2%	109,363	5.2%
Insurers - domestic	25,486	1.2%	25,571	1.2%
Foreign legal entities (banks and other inst. inv.)	474,065	22.7%	433,057	20.8%
Private individuals (domestic and foreign)	491,202	23.5%	496,809	23.8%
Own shares	24,703	1.2%	24,703	1.2%
Others	78,502	3.8%	76,098	3.7%
Sum	2,086,301	100.0%	2,086,301	100.0%

Table 5: 10 largest shareholders of Petrol d.d., Ljubljana as at 30 June 2016

Top 10 shareholders of Petrol d.d., Ljubljana as per 30 June 2016				
	Shareholder	Address	No. of Shares	Share in %
1	SLOVENSKI DRŽAVNI HOLDING, D.D.	MALA ULICA 5, 1000 LJUBLJANA	412,009	19.75%
2	ČEŠKOSLOVENSKA OBCHODNI BANK, A.S. - FID	RADLICKA 333/150, 150 57 PRAGA 5, REPUBLIKA ČEŠKA	266,726	12.78%
3	KAPITALSKA DRUŽBA, D.D.	DUNAJSKA CESTA 119, 1000 LJUBLJANA	172,639	8.27%
4	SOCIETE GENERALE - SPLITSKA BANKA D.D.	RUĐERA BOŠKOVIĆA 16, 21000 SPLIT, HRVAŠKA	75,101	3.60%
5	VIZIJA HOLDING, K.D.D.	DUNAJSKA CESTA 156, 1000 LJUBLJANA	71,676	3.44%
6	VIZIJA HOLDING ENA, K.D.D.	DUNAJSKA CESTA 156, 1000 LJUBLJANA	63,620	3.05%
7	NLB D.D.	TRG REPUBLIKE 2, 1000 LJUBLJANA	63,183	3.03%
8	NOVA KBM D.D.	ULICA VITA KRAIGHERJA 4, 2000 MARIBOR	42,985	2.06%
9	PERSPEKTIVA FT D.O.O.	DUNAJSKA CESTA 156, 1000 LJUBLJANA	36,162	1.73%
10	DUTB, D. D.	DAVČNA ULICA 1, 1000 LJUBLJANA	36,000	1.73%

Table 6: Shares owned by members of the Supervisory and Management Board as at 30 June 2016

Name and Surname	Position	No. of shares	Share of equity
Supervisory board		0	0.0000%
Internal members		0	0.0000%
1. Zoran Gračner	Supervisory Board Member	0	0.0000%
2. Andrej Tomplak	Supervisory Board Member	0	0.0000%
3. Damjan Legen	Supervisory Board Member	0	0.0000%
External members		0	0.0000%
1. Tomaž Kuntarič	Supervisory Board President	0	0.0000%
2. Irena Prijović	Supervisory Board Vice-president	0	0.0000%
3. Igo Gruden	Supervisory Board Member	0	0.0000%
4. Matija Blažič	Supervisory Board Member	0	0.0000%
5. Klemen Ferjančič	Supervisory Board Member	0	0.0000%
6. Mladen Kaliterna	Supervisory Board Member	0	0.0000%
Management Board		220	0.0105%
1. Tomaž Berločnik	Management Board President	0	0.0000%
2. Igor Stebernak	Management Board Member	0	0.0000%
3. Rok Vodnik	Management Board Member	220	0.0105%
4. Ika Krevzel Panič	Management Board Member/Worker Director	0	0.0000%

Contingent increase in share capital

In the period up to 30 June 2016, the General Meeting of Petrol d.d., Ljubljana did not adopt any resolutions regarding the contingent increase in share capital.

Dividends

In accordance with a resolution of the 26th General Meeting held on 21 April 2016, Petrol d.d., Ljubljana shall pay 2015 gross dividends of EUR 12.60 per share in August 2016. The gross dividend per share for 2014, which was paid in 2015, stood at EUR 11.70.

Own shares

Petrol d.d., Ljubljana did not repurchase its own shares in the first six months of 2016. As at 30 June 2016, the Company held 24,703 own shares, representing 1.2 percent of its registered share capital. The total cost of own shares equalled EUR 2.6 million as at 30 June 2016 and was EUR 3.9 million lower than their market value on the said date.

Own shares, in total 36,142, were purchased between 1997 and 1999. The Company may acquire own shares only for the purposes laid down in Article 247 of the Companies Act (ZGD-1) and as remuneration to the Management Board and the Supervisory Board. Own shares are used in accordance with the Company's Articles of Association.

Regular participation at investors' conferences and external communication

Petrol d.d., Ljubljana has set up a programme of regular cooperation with domestic and foreign investors, which consists of public announcements, individual meetings and presentations, and public presentations. The Company regularly attends investors' conferences that are organised each year by stock exchanges, banks and brokerage companies. In the first six months of 2016, several individual meetings were held with investors and analysts. In March, we attended an investors' conference in London organised by InterCapital and Goldman Sachs. In May, we participated in a joint investors' conference in Zagreb, which was organised by Ljubljana and Zagreb Stock Exchanges.

General Meeting of Petrol d.d., Ljubljana

At the 26th General Meeting of Petrol d.d., Ljubljana held on 21 April 2016, the following resolutions were adopted:

- Accumulated profit of EUR 25,976,135.00 as at 31 December 2015 shall be used as follows: EUR 25,976,134.80 shall be used to pay gross dividends of EUR 12.60 per share (own shares excluded) and EUR 0.20 shall be transferred to retained earnings. The dividends are to be paid out of the 2015 net profit and other revenue reserves for 2006. The Company shall pay the dividends on 12 August 2016 to shareholders registered with KDD – the Central Securities Clearing Corporation on 26 April 2016, as laid down in a Management Board decision.
- The Company's Management Board shall be granted discharge from liability for the year 2015.
- The Company's Supervisory Board shall be granted discharge from liability for the year 2015.
- The audit firm ERNST & YOUNG Revizija, poslovno svetovanje, d.o.o., Ljubljana shall be appointed auditor for the year 2016.

Management Board of Petrol d.d., Ljubljana

The president of the Management Board, Tomaž Berločnik, MSc, began his new term of office on 1 February 2016. The terms of office of the other two legal representatives, Igor Stebernak and Rok Vodnik, MSc, were aligned with that of Mr Berločnik. The terms of office of all three legal representatives now run from 1 February 2016 to 31 January 2021.

Supervisory Board of Petrol d.d., Ljubljana

The Workers' Council of Petrol d.d., Ljubljana elected Damjan Legen as replacement Supervisory Board member representing employees for the term of office beginning on 28 January 2016 and ending on 21 February 2017.

Credit rating

On 24 June 2016, Standard & Poor's Ratings Services affirmed Petrol d.d., Ljubljana's "BBB-" long-term credit rating, its "A-3" short-term credit rating and its "stable" credit rating outlook.

Disposal of an interest in the company GEN-I

In accordance with a strategy adopted by Petrol d.d., Ljubljana, a contract was signed on 22 June 2016 to dispose of 50 percent of interests held by the subsidiary IGES d.o.o. in the company GEN-I, d.o.o. The interests were then acquired by the company GEN-EL d.o.o. for EUR 45,100,000. The transaction will be carried out in two parts: the first part is expected to be completed by the end of 2016, following the fulfilment of suspensive conditions, and the second part by the end of June 2018.

Events after the end of the accounting period

There were no events after the reporting date that would significantly affect the disclosed operations in the first six months of 2016.

FINANCIAL REPORT

Financial performance of the Petrol Group and the company Petrol d.d., Ljubljana

Statement of profit and loss of the Petrol Group and Petrol d.d., Ljubljana

(in EUR)	Note	The Petrol Group		Petrol d.d.	
		1-6 2016	1-6 2015	1-6 2016	1-6 2015
Sales revenue		1,707,393,803	1,818,793,122	1,395,502,658	1,474,238,851
- of which excise duty		507,070,827	484,453,878	359,977,782	334,408,263
Cost of goods sold		(1,533,318,551)	(1,652,891,758)	(1,269,684,022)	(1,351,733,512)
Gross profit		174,075,252	165,901,364	125,818,636	122,505,339
Costs of materials	3	(14,540,335)	(15,065,605)	(8,039,611)	(7,540,430)
Costs of services	4	(59,777,650)	(55,681,238)	(48,988,954)	(47,235,503)
Labour costs	5	(33,599,526)	(31,843,321)	(23,088,895)	(20,961,932)
Depreciation and amortisation	6	(22,268,870)	(22,156,439)	(15,321,372)	(15,480,341)
Other costs	7	(1,909,888)	(2,189,779)	(930,221)	(1,291,044)
Operating costs		(132,096,269)	(126,936,382)	(96,369,052)	(92,509,250)
Other revenue	2	2,318,417	2,003,050	1,797,595	1,426,620
Other expenses		(144,304)	(167,344)	(46,255)	(45,128)
Operating profit		44,153,096	40,800,688	31,200,924	31,377,582
Share of profit or loss of equity accounted investees		2,797,299	5,191,213	-	-
Finance income from dividends paid by subsidiaries, associates and jointly controlled entities		-	-	669,980	642,556
Other finance income	8	23,002,265	30,111,660	19,643,346	25,972,866
Other finance expenses	8	(30,264,926)	(45,626,771)	(26,871,085)	(39,723,506)
Net finance expense		(7,262,661)	(15,515,111)	(7,227,740)	(13,750,640)
Profit before tax		39,687,734	30,476,790	24,643,164	18,269,498
Tax expense		(5,790,736)	(3,213,408)	(1,914,837)	(1,540,946)
Deferred tax		(1,861,887)	(1,985,180)	(1,943,479)	(1,690,339)
Corporate income tax		(7,652,623)	(5,198,588)	(3,858,316)	(3,231,285)
Net profit for the period		32,035,111	25,278,202	20,784,849	15,038,214
Net profit for the period attributable to:					
Owners of the controlling company		31,884,391	25,325,829	20,784,849	15,038,214
Non-controlling interest		150,720	(47,627)	-	-
Basic and diluted earnings per share	9	15.54	12.26	10.08	7.29

Accounting policies and notes are an integral part of these financial statements and should be read in conjunction with them.

Other comprehensive income of the Petrol Group and Petrol d.d., Ljubljana

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2016	1-6 2015	1-6 2016	1-6 2015
Net profit for the period	32,035,111	25,278,202	20,784,849	15,038,214
Attribution of changes in the equity of associates	(23,647)	0	-	-
Change due to merger by absorption	-	-	2,318,999	1,781,517
Effective portion of changes in the fair value of cash flow variability hedging	112,777	723,465	0	523,727
Change in deferred taxes	(36,274)	(128,981)	0	(89,034)
Foreign exchange differences	1,414,989	1,308,327	-	-
Other comprehensive income to be recognised in the statement of profit or loss in the future	1,467,845	1,902,811	2,318,999	2,216,211
Other comprehensive income not to be recognised in the statement of profit or loss in the future	0	0	0	0
Total other comprehensive income after tax	1,467,845	1,902,811	2,318,999	2,216,211
Total comprehensive income for the period	33,502,956	27,181,013	23,103,848	17,254,425
Total comprehensive income attributable to:				
Owners of the controlling company	33,386,349	27,228,447	23,103,848	17,254,425
Non-controlling interest	116,607	(47,434)	-	-

Accounting policies and notes are an integral part of these financial statements and should be read in conjunction with them.

Statement of financial position of the Petrol Group and Petrol d.d., Ljubljana

		The Petrol Group		Petrol d.d.	
(in EUR)	Note	30 June 2016	31 December 2015	30 June 2016	31 December 2015
ASSETS					
Non-current (long-term) assets					
Intangible assets	10	182,666,947	184,394,946	148,065,704	150,091,485
Property, plant and equipment	11	604,798,669	604,065,712	318,616,214	326,949,002
Investment property		19,398,292	16,678,739	18,520,271	16,429,618
Investments in subsidiaries	12	-	-	287,555,443	286,097,454
Investments in jointly controlled entities	13	50,336,079	50,451,020	2,512,140	2,512,140
Investments in associates	14	119,315,593	117,494,379	52,852,540	53,206,341
Financial assets available-for-sale	15	2,850,989	1,764,945	2,771,945	1,685,902
Financial receivables		5,195,360	5,509,008	14,453,913	15,794,952
Operating receivables		234,110	918,241	227,044	918,240
Deferred tax assets		14,715,085	16,487,716	14,203,201	16,122,095
		999,511,124	997,764,706	859,778,414	869,807,231
Current assets					
Inventories	16	123,886,497	91,482,068	102,396,235	72,764,397
Financial receivables	17	6,713,891	8,325,710	24,219,406	12,880,885
Operating receivables	18	289,121,712	324,155,308	235,200,932	249,882,742
Corporate income tax assets		180,363	245,045	0	0
Financial assets at fair value through profit or loss	19	964,818	2,295,710	964,818	2,295,710
Prepayments and other assets	20	19,158,373	15,774,900	17,271,416	10,990,970
Cash and cash equivalents		30,127,589	34,350,350	19,510,801	26,994,577
		470,153,243	476,629,091	399,563,607	375,809,280
Total assets		1,469,664,367	1,474,393,797	1,259,342,021	1,245,616,511
EQUITY AND LIABILITIES					
Equity attributable to owners of the controlling company					
Called-up capital		52,240,977	52,240,977	52,240,977	52,240,977
Capital surplus		80,991,385	80,991,385	80,991,385	80,991,385
Legal reserves		61,987,955	61,987,955	61,749,884	61,749,884
Reserves for own shares		2,604,670	2,604,670	2,604,670	2,604,670
Own shares		(2,604,670)	(2,604,670)	(2,604,670)	(2,604,670)
Other revenue reserves		169,855,432	180,794,332	169,272,572	177,892,472
Fair value reserve		183,267	206,914	40,187,257	40,187,257
Hedging reserve		(667,261)	(743,764)	0	0
Foreign exchange differences		(9,363,645)	(10,812,747)	-	-
Retained earnings		201,451,746	184,604,590	20,784,849	15,037,235
		556,679,856	549,269,642	425,226,924	428,099,211
Non-controlling interest		(1,337,275)	(1,878,984)	-	-
Total equity		555,342,581	547,390,658	425,226,924	428,099,211
Non-current liabilities					
Provisions for employee post-employment and other long-term benefits		6,358,915	5,881,531	5,410,251	4,691,466
Other provisions		3,472,105	3,493,578	2,706,595	2,706,595
Long-term deferred revenue		5,336,807	6,051,115	5,283,415	5,997,724
Financial liabilities	21	346,864,891	415,560,980	283,592,750	345,975,338
Operating liabilities		1,021,482	1,030,182	1,021,482	1,030,182
Deferred tax liabilities		4,703,800	4,619,372	0	0
		367,758,000	436,636,758	298,014,493	360,401,305
Current liabilities					
Financial liabilities	21	74,023,367	69,880,761	130,273,892	107,964,350
Operating liabilities	22	452,147,558	402,884,888	392,489,701	337,119,503
Corporate income tax liabilities		2,965,766	1,711,855	383,601	711,685
Other liabilities	23	17,427,095	15,888,877	12,953,410	11,320,457
		546,563,786	490,366,381	536,100,604	457,115,995
Total liabilities		914,321,786	927,003,139	834,115,097	817,517,300
Total equity and liabilities		1,469,664,367	1,474,393,797	1,259,342,021	1,245,616,511

Accounting policies and notes are an integral part of these financial statements and should be read in conjunction with them.



Report on the operations of the Petrol Group and the company Petrol d.d., Ljubljana in the first six months of 2016

Statement of changes in equity of the Petrol Group

(in EUR)	Called-up capital	Capital surplus	Revenue reserves				Investment revaluation reserves	Hedging reserve	Foreign exchange differences	Retained earnings	Equity attributable to owners of the controlling company	Non-controlling interest	Total
			Legal reserves	Reserves for own shares	Own shares	Other revenue reserves							
As at 1 January 2015	52,240,977	80,991,385	61,987,955	2,604,670	(2,604,670)	169,324,875	759,718	(2,168,610)	(10,965,203)	154,661,964	506,833,061	(3,575,684)	503,257,377
Dividend payments for 2014						(3,567,778)				(20,552,919)	(24,120,697)		(24,120,697)
Transactions with owners	0	0	0	0	0	(3,567,778)	0	0	0	(20,552,919)	(24,120,697)	0	(24,120,697)
Net profit for the period										25,325,829	25,325,829	(47,627)	25,278,202
Other changes in other comprehensive income								594,484	1,308,134		1,902,618	193	1,902,811
Total changes in total comprehensive income	0	0	0	0	0	0	0	594,484	1,308,134	25,325,829	27,228,447	(47,434)	27,181,013
As at 30 June 2015	52,240,977	80,991,385	61,987,955	2,604,670	(2,604,670)	165,757,097	759,718	(1,574,126)	(9,657,069)	159,434,874	509,940,811	(3,623,118)	506,317,693
As at 1 January 2016	52,240,977	80,991,385	61,987,955	2,604,670	(2,604,670)	180,794,332	206,914	(743,764)	(10,812,747)	184,604,590	549,269,642	(1,878,984)	547,390,658
Dividend payments for 2015						(10,938,900)				(15,037,235)	(25,976,135)		(25,976,135)
Decrease in non-controlling interest											0	425,102	425,102
Transactions with owners	0	0	0	0	0	(10,938,900)	0	0	0	(15,037,235)	(25,976,135)	425,102	(25,551,033)
Net profit for the period										31,884,391	31,884,391	150,720	32,035,111
Other changes in other comprehensive income							(23,647)	76,503	1,449,102		1,501,958	(34,113)	1,467,845
Total changes in total comprehensive income	0	0	0	0	0	0	(23,647)	76,503	1,449,102	31,884,391	33,386,349	116,607	33,502,956
As at 30 June 2016	52,240,977	80,991,385	61,987,955	2,604,670	(2,604,670)	169,855,432	183,267	(667,261)	(9,363,645)	201,451,746	556,679,856	(1,337,275)	555,342,581

Accounting policies and notes are an integral part of these financial statements and should be read in conjunction with them.

Statement of changes in equity of Petrol d.d., Ljubljana

(in EUR)	Called-up capital	Capital surplus	Revenue reserves				Fair value reserve	Hedging reserve	Retained earnings	Total
			Legal reserves	Reserves for own shares	Own shares	Other revenue reserves				
As at 1 January 2015	52,240,977	80,991,385	61,749,884	2,604,670	(2,604,670)	164,637,720	40,740,061	(1,149,437)	20,552,919	419,763,508
Dividend payments for 2014						(3,567,778)			(20,552,919)	(24,120,697)
Transactions with owners	0	0	0	0	0	(3,567,778)	0	0	(20,552,919)	(24,120,697)
Net profit for the period									15,038,214	15,038,214
Other changes in other comprehensive income						1,781,517		434,694		2,216,211
Total changes in total comprehensive income	0	0	0	0	0	1,781,517	0	434,694	15,038,214	17,254,425
As at 30 June 2015	52,240,977	80,991,385	61,749,884	2,604,670	(2,604,670)	162,851,459	40,740,061	(714,743)	15,038,214	412,897,237
As at 1 January 2016	52,240,977	80,991,385	61,749,884	2,604,670	(2,604,670)	177,892,472	40,187,257	0	15,037,235	428,099,211
Dividend payments for 2015						(10,938,899)			(15,037,235)	(25,976,134)
Transactions with owners	0	0	0	0	0	(10,938,899)	0	0	(15,037,235)	(25,976,134)
Net profit for the period									20,784,849	20,784,849
Other changes in other comprehensive income						2,318,999				2,318,999
Total changes in total comprehensive income	0	0	0	0	0	2,318,999	0	0	20,784,849	23,103,848
As at 30 June 2016	52,240,977	80,991,385	61,749,884	2,604,670	(2,604,670)	169,272,572	40,187,257	0	20,784,849	425,226,924

Accounting policies and notes are an integral part of these financial statements and should be read in conjunction with them.

Cash flow statement of the Petrol Group and Petrol d.d., Ljubljana

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
Cash flows from operating activities				
Net profit	32,035,111	25,278,202	20,784,849	15,038,214
Adjustment for:				
Corporate income tax	7,652,623	5,198,588	3,858,316	3,231,285
Depreciation of property, plant and equipment and of investment property	19,035,989	19,131,218	12,617,755	12,989,649
Amortisation of intangible assets	3,232,881	3,025,221	2,703,617	2,490,692
(Gain)/loss on disposal of property, plant and equipment	(393,094)	148,060	(305,229)	176,963
Impairment, write-down/(reversed impairment) of assets	68,332	102,826	68,332	32,565
Revenue from assets under management	(32,700)	(32,700)	(32,700)	(32,700)
Net (decrease in)/creation of provisions for employee benefits	474,604	691	500,000	0
Net (decrease in)/creation of other provisions and long-term deferred revenue	(734,324)	43,197	(714,309)	53,325
Net goods shortages	163,562	45,915	797	(126,220)
Net (decrease in)/creation of allowance for receivables	864,247	3,958,803	856,450	2,891,579
Net write-down of operating receivables	86,420	4,090	0	0
Net finance (income)/expense	7,683,813	10,822,000	7,463,216	9,658,112
Share of profit of jointly controlled entities	(35,059)	(1,563,174)	-	-
Share of profit of associates	(2,762,240)	(3,628,039)	-	-
Finance income from dividends received from subsidiaries	-	-	0	(102,571)
Finance income from dividends received from joint controlled entities	-	-	(150,000)	(150,000)
Finance income from dividends received from associates	-	-	(519,980)	(389,985)
Cash flow from operating activities before changes in working capital	67,340,165	62,534,900	47,131,114	45,760,908
Net (decrease in)/creation of other liabilities	1,513,586	453,121	1,556,658	(840,938)
Net decrease in/(creation of) other assets	(2,771,242)	(1,543,876)	(4,887,611)	(720,036)
Change in inventories	(32,483,323)	(12,466,949)	(29,700,967)	(3,471,649)
Change in operating and other receivables	42,207,540	36,662,068	18,524,208	51,367,464
Change in operating and other liabilities	18,088,936	(32,218,734)	30,492,431	(29,745,817)
Cash generated from operating activities	93,895,662	53,420,530	63,115,833	62,349,931
Interest paid	(12,308,147)	(14,755,905)	(11,640,749)	(13,303,043)
Taxes paid	(3,094,905)	(4,042,087)	(2,201,845)	(3,340,973)
Net cash from (used in) operating activities	78,492,610	34,622,538	49,273,239	45,705,915
Cash flows from investing activities				
Payments for investments in subsidiaries	(3,618)	0	(2,213,568)	(16,197,871)
Payments for investments in jointly controlled entities	0	(1)	0	(1)
Payments for investments in associates	(2,500)	(11,963,444)	0	0
Receipts from investments in associates	2,850,000	0	2,850,000	0
Receipts from intangible assets	61,082	90,736	0	0
Payments for intangible assets	(747,607)	(5,277,024)	(677,836)	(4,601,880)
Receipts from property, plant and equipment	3,744,340	357,565	3,424,865	226,799
Payments for property, plant and equipment	(30,167,366)	(16,153,947)	(16,772,100)	(11,882,319)
Receipts from financial assets available-for-sale	77,646	0	77,646	0
Payments for financial assets available-for-sale	(1,163,555)	0	(1,163,555)	0
Receipts from financial assets held for trading	0	1,648,050	0	1,648,050
Receipts from loans granted	6,606,457	8,172,177	7,388,917	12,499,913
Payments for loans granted	(4,224,910)	(6,708,215)	(17,349,671)	(6,429,840)
Interest received	1,500,322	2,179,728	1,372,989	1,948,078
Dividends received from subsidiaries	-	-	0	102,571
Dividends received from jointly controlled entities	150,000	150,000	150,000	150,000
Dividends received from associates	519,980	389,985	519,980	389,985
Net cash from (used in) investing activities	(20,799,729)	(27,114,390)	(22,392,333)	(22,146,516)
Cash flows from financing activities				
Payments for bonds issued	(18,955,741)	471,595	(18,955,741)	471,595
Proceeds from borrowings	301,242,531	303,725,279	415,913,749	462,992,307
Repayment of borrowings	(344,201,098)	(323,471,177)	(432,106,361)	(501,958,351)
Dividends paid to shareholders	(13,935)	(9,156)	(13,935)	(9,156)
Net cash from (used in) financing activities	(61,928,243)	(19,283,459)	(35,162,288)	(38,503,605)
Increase/(decrease) in cash and cash equivalents	(4,235,362)	(11,775,311)	(8,281,382)	(14,944,206)
Changes in cash and cash equivalents				
At the beginning of the year	34,350,350	58,573,381	26,994,577	52,592,296
Foreign exchange differences	11,964	35,177	0	0
Cash acquired through merger by absorption	-	-	797,606	0
Cash acquired through acquisition of companies	637	664,051	-	-
Increase/(decrease)	(4,235,362)	(11,775,311)	(8,281,382)	(14,944,206)
At the end of the period	30,127,589	47,497,298	19,510,801	37,648,090

Accounting policies and notes are an integral part of these financial statements and should be read in conjunction with them.

Notes to the financial statements

Reporting entity

Petrol d.d., Ljubljana (hereinafter the "Company") is a company domiciled in Slovenia. The address of the Company's registered office is Dunajska cesta 50, 1527 Ljubljana. Below we present consolidated financial statements of the Group for the period ended 30 June 2016 and separate financial statements of the company Petrol d.d., Ljubljana for the period ended 30 June 2016. The consolidated financial statements comprise the Company and its subsidiaries and the Group's interests in associates and jointly controlled entities (together referred to as the "Group"). A more detailed overview of the Group's structure is presented in the chapter Organisational structure of the Petrol Group in Appendix 1 of this report.

Basis of preparation

a. Statement of compliance

The Company's management approved the Company's financial statements and the Group's consolidated financial statements on 16 August 2016.

The financial statements of Petrol d.d., Ljubljana and consolidated financial statements of the Petrol Group have been prepared in accordance with IAS 34 – Interim financial reporting and should be read in conjunction with the Group's annual financial statements as at 31 December 2015.

The financial statements for the period from January – June 2016 are prepared based on the same accounting policies used for the preparation of financial statements for the year ended 31 December 2015.

b. Basis of measurement

The consolidated and separate financial statements have been prepared on the historical cost basis except for the following assets and liabilities that are carried at fair value:

- derivative financial instruments,
- financial assets at fair value through profit or loss,
- available-for-sale financial assets.

c. Functional and presentation currency

These financial statements are presented in euros (EUR) without cents, the euro also being the Company's functional currency. Due to rounding, some immaterial differences may arise as concerns the sums presented in tables.

d. Use of estimates and judgements

Preparation of financial statements requires management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of financial statements, and the reported amounts of revenue and expenses in the reporting period.

Estimates and assumptions are used in the following judgements:

- estimating useful lives of depreciable assets,
- estimating the fair value of available-for-sale financial assets,

- estimating the fair value of financial assets at fair value through profit or loss,
- estimating the fair value of derivative financial instruments,
- estimating the influence in jointly controlled entities,
- estimating the provisions for litigation,
- estimating the provisions for employee post-employment and other long-term benefits,
- asset impairment testing (investment property, goodwill, investments in subsidiaries, investments in jointly controlled entities and associates, available-for-sale financial assets, financial receivables, inventories)
- assessing the possibility of using deferred tax assets, etc.

Because estimates are subject to subjective judgments and a certain degree of uncertainty, actual results might differ from the estimates.

Estimates are reviewed regularly. Changes in accounting estimates are recognised in the period in which the estimates are changed if a change affects that period only. If a change affects future periods, they are recognised in the period of the change and in any future periods.

Notes to individual items in the financial statements

1. Segment reporting

Because the financial report consists of the financial statements and the accompanying notes of the Group as well as of the Company, only the Group's operating segments have been disclosed.

An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses that relate to transactions with any of the Group's other components. The operating results of operating segments are reviewed regularly by the management to make decisions about resources to be allocated to a segment and assess the performance of the Group.

The management monitors information on two levels: on the micro level, in which case individual units are monitored, and on the macro level, where information is monitored only in terms of certain key information that can be used to make comparisons with similar companies in Europe. Given the enormous amount of information and their sensitivity on the micro level, the Group only discloses macro-level information in its annual report.

The Group thus uses the following segments in the preparation and presentation of the financial statements:

- oil and merchandise sales,
- energy activities.

Oil and merchandise sales consist of:

- sales of oil and petroleum products,
- sales of merchandise.

The sale of merchandise consists of selling automotive products, foodstuffs, accessories, tobacco and lottery products, coupons, cards, Petrol Club merchandise, raw materials and chemical products.

Energy activities consist of:

- gas and heat segment,
- generation, sale and distribution of electricity,
- environmental and energy solutions.

The Group's operating segments in the period 1-6 2015:

(in EUR)	Oil and merchandise sales	Energy operations	Total	Statement of profit or loss/ Statement of financial position
Sales revenue	1,682,695,678	377,178,452	2,059,874,130	
Revenue from subsidiaries	(186,114,834)	(54,966,174)	(241,081,008)	
Sales revenue	1,496,580,844	322,212,278	1,818,793,122	1,818,793,122
Net profit for the period	18,539,333	6,738,869	25,278,202	25,278,202
Interest income *	1,348,222	759,786	2,108,008	2,108,008
Interest expense *	(7,353,019)	(4,143,769)	(11,496,788)	(11,496,788)
Depreciation of property, plant and equipment, depreciation of investment property, amortisation of intangible assets	(16,160,877)	(5,995,562)	(22,156,439)	(22,156,439)
Share of profit or loss of equity accounted investees	(178,569)	5,369,782	5,191,213	5,191,213
Total assets	1,106,395,827	419,388,342	1,525,784,169	1,525,784,169
Equity accounted investments	2,970,077	166,641,273	169,611,350	169,611,350
Property, plant and equipment, intangible assets and investment property	617,668,610	183,117,541	800,786,151	800,786,151
Other assets	485,757,140	69,629,528	555,386,668	555,386,668
Current and non-current operating and financial liabilities	809,343,762	174,250,859	983,594,621	983,594,621

* Interest income and expense are estimated based on a segment's share of investments and assets in total investments and assets.

The Group's operating segments in the period 1-6 2016:

(in EUR)	Oil and merchandise sales	Energy operations	Total	Statement of profit or loss/ Statement of financial position
Sales revenue	1,498,419,218	395,906,934	1,894,326,152	
Revenue from subsidiaries	(135,562,734)	(51,369,615)	(186,932,349)	
Sales revenue	1,362,856,484	344,537,319	1,707,393,803	1,707,393,803
Net profit for the period	23,677,300	8,357,811	32,035,111	32,035,111
Interest income *	1,056,693	634,033	1,690,726	1,690,726
Interest expense *	(5,966,508)	(3,580,000)	(9,546,508)	(9,546,508)
Depreciation of property, plant and equipment, depreciation of investment property, amortisation of intangible assets	(15,380,201)	(6,888,669)	(22,268,870)	(22,268,870)
Share of profit or loss of equity accounted investees	(212,794)	3,010,093	2,797,299	2,797,299
Total assets	1,034,587,748	435,076,619	1,469,664,367	1,469,664,367
Equity accounted investments	2,938,491	166,713,180	169,651,672	169,651,672
Property, plant and equipment, intangible assets and investment property	607,377,695	199,486,213	806,863,908	806,863,908
Other assets	424,271,562	68,877,225	493,148,787	493,148,787
Current and non-current operating and financial liabilities	697,680,086	176,377,212	874,057,298	874,057,298

* Interest income and expense are estimated based on a segment's share of investments and assets in total investments and assets.

2. Other revenue

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2016	1-6 2015	1-6 2016	1-6 2015
Utilisation of environmental provisions	664,182	697,731	660,629	697,731
Gain on disposal of fixed assets	509,398	76,583	370,423	43,916
Reversal of accrued costs, expenses	293,416	113,459	259,942	113,459
Compensation received from insurance companies	106,740	103,701	11,338	50,609
Other revenue	744,681	1,011,576	495,263	520,906
Total other revenue	2,318,417	2,003,050	1,797,595	1,426,620

3. Costs of material

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2016	1-6 2015	1-6 2016	1-6 2015
Costs of energy	10,107,443	10,127,820	4,626,612	3,237,098
Costs of consumables	4,009,018	4,540,751	3,202,415	4,105,367
Write-off of small tools	140,864	127,052	26,945	27,235
Other costs of materials	283,010	269,982	183,639	170,730
Total costs of materials	14,540,335	15,065,605	8,039,611	7,540,430

4. Costs of services

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2016	1-6 2015	1-6 2016	1-6 2015
Costs of service station managers	15,566,015	14,284,970	15,566,015	14,573,700
Costs of transport services	13,476,326	12,958,709	11,590,701	11,624,818
Costs of fixed-asset maintenance services	5,770,657	4,926,290	4,327,269	4,671,070
Lease payments	4,634,907	4,261,566	1,843,300	1,532,571
Costs of professional services	3,187,957	2,936,752	3,032,696	2,627,506
Costs of payment transactions and bank services	3,115,923	3,758,150	2,351,367	2,839,286
Costs of fairs, advertising and entertainment	2,644,871	1,973,126	2,061,275	1,499,759
Contributions for operations at motorway service areas	2,543,282	2,398,470	1,932,551	1,872,456
Costs of insurance premiums	1,863,395	1,922,195	1,254,627	1,430,419
Costs of fire protection and physical and technical security	925,499	809,756	727,161	620,919
Fees for the building site use	827,160	766,647	750,305	696,229
Property management	775,086	547,483	792,897	1,214,416
Outsourcing costs	772,599	497,990	412,544	2,285
Costs of environmental protection services	678,829	815,754	382,221	557,967
Concession charges	495,435	505,124	321,550	294,257
Reimbursement of work-related costs to employees	460,819	488,892	246,853	284,197
Membership fees	175,225	216,165	112,354	117,953
Other costs of services	1,863,665	1,613,199	1,283,268	775,695
Total costs of services	59,777,650	55,681,238	48,988,954	47,235,503

5. Labour costs

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2016	1-6 2015	1-6 2016	1-6 2015
Salaries	23,737,203	22,742,023	16,085,926	14,947,294
Costs of other insurance	2,395,637	2,354,194	1,278,126	1,205,737
Costs of pension insurance	2,009,930	1,940,497	1,561,200	1,459,454
Transport allowance	1,238,811	1,171,617	752,227	691,084
Meal allowance	1,033,181	931,277	710,475	658,977
Annual leave allowance	879,576	820,861	651,624	586,305
Supplementary pension insurance	478,605	465,118	435,722	409,760
Other allowances and reimbursements	1,826,583	1,417,734	1,613,595	1,003,321
Total labour costs	33,599,526	31,843,321	23,088,895	20,961,932

6. Depreciation and amortisation

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2016	1-6 2015	1-6 2016	1-6 2015
Amortisation of intangible assets	3,232,881	3,025,221	2,703,617	2,490,692
Depreciation of property, plant and equipment	18,474,791	18,755,395	12,078,387	12,599,563
Depreciation of investment property	561,198	375,823	539,368	390,086
Total depreciation and amortisation	22,268,870	22,156,439	15,321,372	15,480,341

7. Other costs

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2016	1-6 2015	1-6 2016	1-6 2015
Sponsorships and donations	766,712	698,644	705,069	667,707
Environmental charges and charges unrelated to operations	509,957	476,762	3,917	76,676
Loss on sale/disposal of property, plant and equipment	116,304	224,643	65,194	220,879
Other costs	516,915	789,730	156,040	325,782
Total other costs	1,909,888	2,189,779	930,221	1,291,044

8. Other financial income and expenses

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2016	1-6 2015	1-6 2016	1-6 2015
Foreign exchange differences	8,032,692	7,845,827	5,594,013	5,256,329
Gain on derivatives	10,232,306	18,914,902	10,011,720	18,914,902
Interest income	1,690,726	2,108,008	1,395,499	1,552,385
Allowances for receivables reversed and bad debt recovered	365,095	1,008,823	41,928	15,152
Other finance income	2,681,446	234,100	2,600,186	234,097
Total other finance income	23,002,265	30,111,660	19,643,346	25,972,866
Foreign exchange differences	(5,653,941)	(17,726,216)	(3,760,091)	(15,607,449)
Loss on derivatives	(11,525,606)	(10,606,184)	(10,753,718)	(10,349,894)
Interest expense	(9,546,508)	(11,496,788)	(9,235,830)	(10,050,616)
Allowance for operating receivables	(1,315,762)	(4,971,717)	(898,377)	(2,906,731)
Other finance expenses	(2,223,109)	(825,866)	(2,223,069)	(808,816)
Total other finance expenses	(30,264,926)	(45,626,771)	(26,871,085)	(39,723,506)
Net finance expense	(7,262,661)	(15,515,111)	(7,227,740)	(13,750,640)

9. Earnings per share

	The Petrol Group		Petrol d.d.	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
Net profit (in EUR)	32,035,111	25,278,202	20,784,849	15,038,214
Number of shares issued	2,086,301	2,086,301	2,086,301	2,086,301
Number of own shares at the beginning of the period	24,703	24,703	24,703	24,703
Number of own shares at the end of the period	24,703	24,703	24,703	24,703
Weighted average number of ordinary shares issued	2,061,598	2,061,598	2,061,598	2,061,598
Diluted average number of ordinary shares	2,061,598	2,061,598	2,061,598	2,061,598
Basic and diluted earnings per share (EUR/share)	15.54	12.26	10.08	7.29

Basic earnings per share are calculated by dividing the owners' net profit by the weighted average number of ordinary shares, excluding ordinary shares owned by the Company. The Group and the Company have no potential dilutive ordinary shares, so the basic and diluted earnings per share are identical.

Intangible assets

10. Intangible assets of the Petrol Group

(in EUR)	Right to use concession		Goodwill	Ongoing investments	Total
	Software	infrastructure			
Cost					
As at 1 January 2015	15,181,030	93,066,746	106,326,905	2,133,952	216,708,633
New acquisitions	0	0	0	5,277,024	5,277,024
Disposals	0	(104,089)	0	0	(104,089)
Impairments	0	0	0	(70,261)	(70,261)
Transfer between asset categories	15,385	(15,385)	0	0	0
Transfer from ongoing investments	321,562	4,309,468	0	(4,631,030)	0
Foreign exchange differences	929	49,999	126,484	(53)	177,359
As at 30 June 2015	15,518,906	97,306,739	106,453,389	2,709,632	221,988,666
Accumulated amortisation					
As at 1 January 2015	(7,842,119)	(28,195,383)	0	0	(36,037,502)
Amortisation	(1,036,318)	(1,988,903)	0	0	(3,025,221)
Disposals	(31)	13,385	0	0	13,354
Transfer between asset categories	(12,397)	12,397	0	0	0
Foreign exchange differences	(844)	(15,176)	0	0	(16,020)
As at 30 June 2015	(8,891,709)	(30,173,680)	0	0	(39,065,390)
Net carrying amount as at 1 January 2015	7,338,911	64,871,363	106,326,905	2,133,952	180,671,131
Net carrying amount as at 30 June 2015	6,627,197	67,133,059	106,453,389	2,709,632	182,923,277

(in EUR)	Right to use concession		Goodwill	Ongoing investments	Total
	Software	infrastructure			
Cost					
As at 1 January 2016	17,558,277	100,766,397	106,364,856	2,784,983	227,474,513
New acquisitions as a result of takeover	0	0	356,819	177,466	534,285
New acquisitions	0	7,364	0	740,243	747,607
Disposals	(17,587)	(58,913)	0	(2,169)	(78,669)
Transfer from ongoing investments	679,863	490,362	0	(1,170,225)	0
Foreign exchange differences	249	117,304	196,019	921	314,493
As at 30 June 2016	18,220,802	101,322,514	106,917,694	2,531,219	228,992,229
Accumulated amortisation					
As at 1 January 2016	(10,013,651)	(33,065,916)	0	0	(43,079,567)
Amortisation	(1,210,288)	(2,022,593)	0	0	(3,232,881)
Disposals	17,587	0	0	0	17,587
Foreign exchange differences	(649)	(29,772)	0	0	(30,421)
As at 30 June 2016	(11,207,001)	(35,118,281)	0	0	(46,325,282)
Net carrying amount as at 1 January 2016	7,544,626	67,700,481	106,364,856	2,784,983	184,394,946
Net carrying amount as at 30 June 2016	7,013,801	66,204,233	106,917,694	2,531,219	182,666,947

Intangible assets of Petrol d.d., Ljubljana

(in EUR)	Right to use concession		Goodwill	Ongoing investments	Total
	Software	infrastructure			
Cost					
As at 1 January 2015	14,542,073	72,057,793	85,614,936	2,056,000	174,270,802
New acquisitions as a result of merger by absorption	332,103	0	3,872,135	0	4,204,238
New acquisitions	17,355	0	0	4,584,490	4,601,845
Transfer from ongoing investments	303,832	3,651,915	0	(3,955,747)	0
As at 30 June 2015	15,195,363	75,709,708	89,487,071	2,684,743	183,076,886
Accumulated amortisation					
As at 1 January 2015	(7,529,001)	(22,619,776)	0	0	(30,148,777)
New acquisitions as a result of merger by absorption	(84,385)	0	0	0	(84,385)
Amortisation	(1,019,217)	(1,471,475)	0	0	(2,490,692)
As at 30 June 2015	(8,632,603)	(24,091,251)	0	0	(32,723,854)
Net carrying amount as at 1 January 2015	7,013,072	49,438,017	85,614,936	2,056,000	144,122,025
Net carrying amount as at 30 June 2015	6,562,760	51,618,457	89,487,071	2,684,743	150,353,031
(in EUR)	Right to use concession		Goodwill	Ongoing investments	Total
	Software	infrastructure			
Cost					
As at 1 January 2016	17,195,771	76,884,824	89,487,071	2,777,483	186,345,149
New acquisitions as a result of merger by absorption	4,638	0	0	0	4,638
New acquisitions	0	0	0	677,836	677,836
Disposals	(17,587)	0	0	0	(17,587)
Transfer from ongoing investments	639,133	478,946	0	(1,118,079)	0
As at 30 June 2016	17,821,955	77,363,770	89,487,071	2,337,240	187,010,036
Accumulated amortisation					
As at 1 January 2016	(9,738,942)	(26,514,722)	0	0	(36,253,664)
New acquisitions as a result of merger by absorption	(4,638)	0	0	0	(4,638)
Amortisation	(1,190,229)	(1,513,388)	0	0	(2,703,617)
Disposals	17,587	0	0	0	17,587
As at 30 June 2016	(10,916,222)	(28,028,110)	0	0	(38,944,332)
Net carrying amount as at 1 January 2016	7,456,829	50,370,102	89,487,071	2,777,483	150,091,485
Net carrying amount as at 30 June 2016	6,905,733	49,335,660	89,487,071	2,337,240	148,065,704

Property, plant and equipment

11. Property, plant and equipment of Petrol Group

(in EUR)	Land	Buildings	Plant	Equipment	Ongoing investments	Total
Cost						
As at 1 January 2015	219,902,431	596,237,718	39,339,159	177,117,817	25,026,435	1,057,623,560
New acquisitions	0	0	0	0	13,585,307	13,585,307
Disposals	(6,732)	(223,907)	(336,245)	(1,258,872)	(271,921)	(2,097,677)
Transfer between assets categories	0	8,399,755	(8,399,755)	0	0	0
Transfer from ongoing investments	792,899	5,805,827	268,658	9,074,355	(15,941,739)	0
Transfer to investment property	(12)	(162,090)	0	0	0	(162,102)
Transfer from investment property	0	515,458	0	0	0	515,458
Foreign exchange differences	624,437	1,036,542	(25,039)	261,902	33,742	1,931,584
As at 30 June 2015	221,313,023	611,609,303	30,846,778	185,195,202	22,431,824	1,071,396,130
Accumulated depreciation						
As at 1 January 2015	0	(316,805,561)	(16,050,331)	(114,860,489)	0	(447,716,380)
Depreciation	0	(11,409,245)	(899,816)	(6,446,333)	0	(18,755,394)
Disposals	0	164,866	328,510	1,098,070	0	1,591,446
Transfer between assets categories	0	(526,917)	526,917	0	0	0
Transfer to investment property	0	81,231	0	0	0	81,231
Transfer from investment property	0	(500,814)	0	0	0	(500,814)
Foreign exchange differences	0	(306,601)	1,267	(166,125)	0	(471,459)
As at 30 June 2015	0	(329,303,041)	(16,093,453)	(120,374,877)	0	(465,771,370)
Net carrying amount as at 1 January 2015	219,902,431	279,432,157	23,288,828	62,257,328	25,026,435	609,907,179
Net carrying amount as at 30 June 2015	221,313,023	282,306,262	14,753,325	64,820,325	22,431,824	605,624,759

(in EUR)	Land	Buildings	Plant	Equipment	Ongoing investments	Total
Cost						
As at 1 January 2016	216,889,113	623,589,973	33,914,127	187,871,229	20,809,482	1,083,073,924
New acquisitions as a result of takeover	0	0	0	0	278,485	278,485
New acquisitions	0	0	0	0	23,868,888	23,868,888
Disposals	(789,849)	(2,870,261)	(38,707)	(3,072,939)	(215,599)	(6,987,355)
Transfer from ongoing investments	1,047,430	4,090,688	779,211	4,839,174	(10,756,503)	0
Transfer to investment property	0	(12,298,486)	0	0	0	(12,298,486)
Transfer from investment property	501,566	5,132,125	0	0	0	5,633,691
Foreign exchange differences	785,385	1,123,080	(1,299)	354,028	46,902	2,308,096
As at 30 June 2016	218,433,645	618,767,119	34,653,332	189,991,492	34,031,655	1,095,877,243
Accumulated depreciation						
As at 1 January 2016	0	(340,685,347)	(16,767,864)	(121,555,001)	0	(479,008,211)
Depreciation	0	(11,209,225)	(939,173)	(6,326,393)	0	(18,474,791)
Disposals	0	1,169,582	38,707	2,471,777	0	3,680,066
Transfer to investment property	0	6,629,087	0	0	0	6,629,087
Transfer from investment property	0	(3,245,042)	0	0	0	(3,245,042)
Foreign exchange differences	0	(408,850)	1,193	(252,025)	0	(659,682)
As at 30 June 2016	0	(347,749,795)	(17,667,137)	(125,661,642)	0	(491,078,573)
Net carrying amount as at 1 January 2016	216,889,113	282,904,626	17,146,263	66,316,228	20,809,482	604,065,712
Net carrying amount as at 30 June 2016	218,433,645	271,017,324	16,986,195	64,329,850	34,031,655	604,798,669

Property, plant and equipment of Petrol d.d., Ljubljana

(in EUR)	Land	Buildings	Equipment	Ongoing investments	Total
Cost					
As at 1 January 2015	115,656,507	462,082,217	151,350,681	18,170,031	747,259,436
New acquisitions as a result of merger by absorption	447,040	1,372,652	12,042,322	0	13,862,014
New acquisitions	0	0	7,398	6,175,565	6,182,963
Disposals	(6,732)	(68,532)	(855,374)	(271,921)	(1,202,559)
Transfer between asset categories	0	56,729	0	0	56,729
Transfer from ongoing investments	1,353	3,492,313	7,872,499	(11,366,165)	0
Transfer to investment property	(12)	(162,090)	0	0	(162,102)
Transfer from investment property	0	515,458	0	0	515,458
As at 30 June 2015	116,098,156	467,288,747	170,417,526	12,707,510	766,511,939
Accumulated depreciation					
As at 1 January 2015	0	(306,530,749)	(110,918,237)	0	(417,448,986)
New acquisitions as a result of merger by absorption	0	(464,636)	(3,495,705)	0	(3,960,341)
Depreciation	0	(7,777,357)	(4,822,206)	0	(12,599,563)
Disposals	0	56,369	742,429	0	798,798
Transfer between asset categories	0	(57,358)	0	0	(57,358)
Transfer to investment property	0	81,231	0	0	81,231
Transfer from investment property	0	(500,814)	0	0	(500,814)
As at 30 June 2015	0	(315,193,314)	(118,493,719)	0	(433,687,033)
Net carrying amount as at 1 January 2015	115,656,507	155,551,468	40,432,444	18,170,031	329,810,450
Net carrying amount as at 30 June 2015	116,098,156	152,095,433	51,923,807	12,707,510	332,824,906

(in EUR)	Land	Buildings	Equipment	Ongoing investments	Total
Cost					
As at 1 January 2016	112,235,559	471,001,295	169,633,896	15,900,194	768,770,944
New acquisitions as a result of merger by absorption	0	4,962	1,620,366	27,437	1,652,765
New acquisitions	0	0	0	7,431,549	7,431,549
Disposals	(312,051)	(624,355)	(2,448,524)	(215,599)	(3,600,529)
Transfer from ongoing investments	256,772	2,291,807	3,956,096	(6,504,675)	0
Transfer to investment property	0	(12,298,486)	0	0	(12,298,486)
Transfer from investment property	501,566	6,807,811	0	0	7,309,377
As at 30 June 2016	112,681,846	467,183,033	172,761,834	16,638,906	769,265,619
Accumulated depreciation					
As at 1 January 2016	0	(322,982,864)	(118,839,077)	0	(441,821,941)
New acquisitions as a result of merger by absorption	0	(1,376)	(1,257,051)	0	(1,258,427)
Depreciation	0	(7,383,581)	(4,694,806)	0	(12,078,387)
Disposals	0	317,667	1,832,594	0	2,150,261
Transfer to investment property	0	6,690,049	0	0	6,690,049
Transfer from investment property	0	(4,330,960)	0	0	(4,330,960)
As at 30 June 2016	0	(327,691,065)	(122,958,340)	0	(450,649,405)
Net carrying amount as at 1 January 2016	112,235,559	148,018,431	50,794,819	15,900,194	326,949,002
Net carrying amount as at 30 June 2016	112,681,846	139,491,968	49,803,494	16,638,906	318,616,214

12. Investment in subsidiaries

Investments in subsidiaries are eliminated from the Group's financial statements during consolidation.

(in EUR)	Petrol d.d.	
	30 June 2016	30 June 2015
As at 1 January	286,097,454	284,269,540
New acquisitions	2,213,567	14,109,752
Merger by absorption	(755,579)	(6,824,403)
As at 30 June	287,555,443	291,554,889

13. Investments in jointly controlled entities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
As at 1 January	50,451,020	50,064,833	2,512,140	4,081,683
Attributed profit	35,059	1,563,174	0	0
Dividends received	(150,000)	(150,000)	0	0
New acquisitions	0	1	0	1
Attribution of changes in the equity of jointly controlled entities	0	2,368	0	0
As at 30 June	50,336,079	51,480,376	2,512,140	4,081,684

14. Investments in associates

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
As at 1 January	117,494,379	103,592,923	53,206,341	53,206,341
Attributed profit/loss	2,762,240	3,628,039	0	0
Dividends received	(519,980)	(389,985)	0	0
New acquisitions	2,500	11,299,997	0	0
Disposals	(399,899)	0	(353,802)	0
Attributed changes in the equity of associates	(23,647)	0	0	0
As at 30 June	119,315,593	118,130,974	52,852,540	53,206,341

15. Financial assets available for sale

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
As at 1 January	1,764,945	1,645,185	1,685,902	1,515,239
New acquisitions as a result of merger by absorption	0	0	0	50,903
New acquisitions	1,163,555	0	1,163,555	0
Disposals	(77,512)	0	(77,512)	0
Balance as at 30 June	2,850,989	1,645,185	2,771,945	1,566,142

16. Inventories

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Spare parts and materials	2,200,566	1,910,100	1,653,804	239,617
Merchandise:	121,685,931	89,571,968	100,742,431	72,524,780
- fuel	90,061,508	57,125,464	74,639,282	45,604,615
- other petroleum products	4,509,898	3,947,003	3,834,083	3,259,146
- other merchandise	27,114,525	28,499,501	22,269,066	23,661,019
Total inventories	123,886,497	91,482,068	102,396,235	72,764,397

17. Current financial receivables

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Loans granted	8,723,447	10,412,971	25,142,651	14,208,283
Adjustment to the value of loans granted	(2,914,877)	(3,491,509)	(1,926,583)	(2,340,002)
Time deposits with banks (3 months to 1 year)	30,933	704,624	0	0
Interest receivables	931,912	760,947	3,484,361	3,173,719
Allowance for interest receivables	(143,111)	(143,957)	(2,567,780)	(2,245,159)
Finance lease receivables	85,587	82,634	86,757	84,043
Total current financial receivables	6,713,891	8,325,710	24,219,406	12,880,885

18. Current operating receivables

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Trade receivables	321,060,133	371,357,701	249,617,627	276,179,674
Allowance for trade receivables	(53,060,443)	(52,411,243)	(30,200,596)	(29,857,150)
Operating receivables from state and other institutions	18,809,427	1,600,483	12,764,017	337,816
Operating interest receivables	3,898,797	3,945,709	4,942,739	4,956,878
Allowance for interest receivables	(2,154,099)	(2,220,010)	(1,971,388)	(2,021,105)
Receivables from insurance companies (loss events)	116,425	366,172	6,970	199,672
Other operating receivables	835,837	1,900,861	41,563	86,957
Allowance for other receivables	(384,365)	(384,365)	0	0
Total current operating receivables	289,121,712	324,155,308	235,200,932	249,882,742

19. Financial assets at fair value through profit or loss

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Assets arising from commodity swaps	532,747	2,295,710	532,747	2,295,710
Assets arising from forward contracts	432,071	0	432,071	0
Total financial assets at fair value through profit or loss	964,818	2,295,710	964,818	2,295,710

20. Prepayments and other assets

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Prepayments	12,375,436	11,755,883	9,768,941	8,387,709
Prepaid subscriptions, specialised literature, etc.	1,431,551	1,215,715	1,057,902	1,002,731
Prepaid insurance premiums	976,945	772,710	675,382	533,854
Uninvoiced services and goods	1,612,769	617,322	3,826,367	594,321
Other deferred costs and accrued revenue	2,761,672	1,413,270	1,942,824	472,355
Total prepayments and other assets	19,158,373	15,774,900	17,271,416	10,990,970

21. Financial liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Current financial liabilities				
Bank loans	35,585,776	27,676,799	23,907,448	16,693,347
Bonds issued	35,253,895	37,606,775	35,253,895	37,606,775
Liabilities to banks arising from interest rate swaps	681,267	918,893	0	0
Liabilities arising from commodity swaps	911,390	1,136,481	911,390	2,332,383
Liabilities to banks arising from forward contracts	0	1,098,581	0	1,098,581
Liabilities from valuation of options	95,422	0	95,422	0
Other loans and financial liabilities	1,495,617	1,443,232	70,105,737	50,233,264
	74,023,367	69,880,761	130,273,892	107,964,350
Non-current financial liabilities				
Bonds issued	271,200,570	290,156,311	271,200,570	290,156,311
Bank loans	75,651,406	125,367,754	12,392,180	55,819,027
Loans obtained from other companies	12,915	36,915	0	0
	346,864,891	415,560,980	283,592,750	345,975,338
Total financial liabilities	420,888,258	485,441,741	413,866,642	453,939,688

22. Current operating liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Trade liabilities	248,946,586	291,343,537	212,947,167	245,537,011
Excise duty liabilities	117,037,027	58,784,718	108,612,088	51,848,822
Value added tax liabilities	26,671,137	18,203,996	17,320,694	12,731,938
Liabilities associated with the allocation of profit or loss	25,039,264	627,319	25,039,264	627,319
Environment pollution charge liabilities	9,181,814	11,085,799	9,080,994	10,986,981
Import duty liabilities	8,345,691	7,897,791	5,975,656	5,833,750
Liabilities to employees	6,745,365	6,006,327	5,006,196	4,337,163
Liabilities arising from interests acquired	3,255,001	1,521,447	3,250,734	1,518,029
Other liabilities to the state and other state institutions	2,800,785	1,083,740	1,741,962	190,330
Liabilities arising from prepayments and collaterals	2,000,033	3,945,158	1,429,090	1,570,822
Social security contribution liabilities	601,007	531,762	453,044	433,285
Other liabilities	1,523,848	1,853,294	1,632,812	1,504,053
Total current operating and other liabilities	452,147,558	402,884,888	392,489,701	337,119,503

23. Other liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Accrued annual leave expenses	1,697,291	1,680,575	1,146,779	1,078,871
Accrued goods shortages	1,404,806	311,892	935,100	311,892
Accrued litigation expenses	1,106,093	1,569,831	799,401	848,169
Accrued expenses for tanker demurrage	177,563	122,510	177,563	122,510
Accrued motorway site lease payments	142,664	119,125	142,664	119,125
Accrued concession fee costs	134,616	211,885	77,462	188,047
Other accrued costs	8,974,778	7,546,976	6,359,247	5,096,610
Deferred default interest income	1,433,657	1,425,331	1,424,989	1,424,989
Deferred revenue from rebates granted	1,190,415	541,245	950,584	167,278
Deferred prepaid card revenue	848,242	1,737,719	809,828	1,684,871
Deferred revenue from heating	0	147,323	0	0
Other deferred revenue	316,970	474,465	129,791	278,095
Total other liabilities	17,427,095	15,888,877	12,953,410	11,320,457

24. Financial instruments and risks

This chapter presents disclosures about financial instruments and risks. Risk management is explained in the interim report, in the chapter Risk management.

Credit risk

The Group is exposed to various types of financial risks, which are regularly monitored by relevant departments and responded to in time by taking appropriate measures and using various hedging instruments.

Maximum exposure to credit risk represents the carrying amount of financial assets which was the following as at 30 June 2016:

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Financial assets available-for-sale	2,850,989	1,764,945	2,771,945	1,685,902
Non-current financial receivables	5,195,360	5,509,008	14,453,913	15,794,952
Non-current operating receivables	234,110	918,241	227,044	918,240
Current financial receivables	6,713,891	8,325,710	24,219,406	12,880,885
Current operating receivables (without receivables from the state)	270,312,285	322,554,825	222,436,915	249,544,926
Financial assets at fair value through profit or loss	964,818	2,295,710	964,818	2,295,710
Cash and cash equivalents	30,127,589	34,350,350	19,510,801	26,994,577
Total assets	316,399,042	375,718,789	284,584,842	310,115,192

The category that was most exposed to credit risk on the reporting date were short-term operating receivables.

The Group's short-term operating receivables by maturity:

(in EUR)	Breakdown by maturity					Total
	Not yet due	Up to 30 days overdue	31 to 60 days overdue	61 to 90 days overdue	More than 90 days overdue	
Trade receivables	271,012,845	27,949,922	9,115,572	1,317,424	9,550,696	318,946,459
Interest receivables	1,467,278	99,982	65,054	10,958	82,426	1,725,698
Other receivables (excluding receivables from the state)	1,872,119	76	10,473	0	0	1,882,668
Total as at 31 December 2015	274,352,242	28,049,980	9,191,099	1,328,382	9,633,122	322,554,825
(in EUR)	Breakdown by maturity					Total
	Not yet due	Up to 30 days overdue	31 to 60 days overdue	61 to 90 days overdue	More than 90 days overdue	
Trade receivables	235,042,764	13,029,386	6,580,134	1,386,124	11,961,282	267,999,690
Interest receivables	1,460,469	154,660	70,260	5,950	53,359	1,744,698
Other receivables (excluding receivables from the state)	487,400	25,263	31,384	4,003	19,847	567,897
Total as at 30 June 2016	236,990,633	13,209,309	6,681,778	1,396,077	12,034,488	270,312,285

The Company's short-term operating receivables by maturity:

(in EUR)	Breakdown by maturity					Total
	Not yet due	Up to 30 days overdue	31 to 60 days overdue	61 to 90 days overdue	More than 90 days overdue	
Trade receivables	214,258,782	16,796,468	5,411,099	1,612,145	8,244,029	246,322,524
Interest receivables	15,665	68,199	54,640	86,145	2,711,124	2,935,773
Other receivables (excluding receivables from the state)	286,629	0	0	0	0	286,629
Total as at 31 December 2015	214,561,077	16,864,668	5,465,740	1,698,291	10,955,155	249,544,926
(in EUR)	Breakdown by maturity					Total
	Not yet due	Up to 30 days overdue	31 to 60 days overdue	61 to 90 days overdue	More than 90 days overdue	
Trade receivables	194,896,966	11,165,912	4,248,836	1,598,225	7,507,092	219,417,031
Interest receivables	1,434,125	151,021	87,818	85,510	1,212,877	2,971,351
Other receivables (excluding receivables from the state)	48,534	0	0	0	0	48,534
Total balance as at 30 June 2016	196,379,625	11,316,933	4,336,654	1,683,735	8,719,969	222,436,915

The Group/Company measures the degree of receivables management using day's sales outstanding:

(in days)	The Petrol Group		Petrol d.d.	
	1-6 2016	1-12 2015	1-6 2016	1-12 2015
Days sales outstanding				
Contract days	31	31	30	31
Overdue receivables in days	13	13	11	12
Total days sales outstanding	44	44	41	43

Liquidity risk

The Group/Company manages liquidity risks by:

- assuring adequate structural liquidity in accordance with S&P methodology;
- standardised and centralised treasury management at Group level;
- annual funding plan for the Petrol Group as well as monthly and daily planning;
- approach to banks in Slovenia and abroad is handled by the headquarters;
- cash flow planning IT application for both, parent company and all subsidiaries;
- cash pooling.

Half of the Group's/Company's total revenue is generated through its retail network in which cash and payment cards are used as the means of payment. This ensures regular daily inflows and mitigates liquidity risks.

In addition, the Group/Company has credit lines available in Slovenia and abroad. The volume enables the Group to meet all its due liabilities at any given moment. The Group/Company carefully plans their cash flows, which enables optimal liquidity management of both, surpluses or shortages.

The majority of financial liabilities arising from long-term and short-term loans are allocated in the parent company, where also the majority of revenue is generated.

The Group's liabilities as at 31 December 2015 by maturity:

(in EUR)	Carrying amount of liabilities	Liability	Contractual cash flows			
			0 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Non-current financial liabilities	415,560,980	448,070,554	0	0	432,127,211	15,943,343
Non-current operating liabilities (excluding other liabilities)	0	0	0	0	0	0
Current financial liabilities	69,880,761	81,628,872	27,719,576	53,909,297	0	0
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	295,345,597	295,345,597	294,055,447	1,290,150	0	0
As at 31 December 2015	780,787,338	825,045,023	321,775,023	55,199,447	432,127,211	15,943,343

The Group's liabilities as at 30 June 2016 by maturity:

(in EUR)	Carrying amount of liabilities	Liability	Contractual cash flows			
			0 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Non-current financial liabilities	346,864,891	367,939,728	0	0	358,626,059	9,313,669
Non-current operating liabilities (excluding other liabilities)	24,000	24,000	0	0	0	24,000
Current financial liabilities	74,023,367	86,375,763	52,196,815	34,178,948	0	0
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	278,764,699	278,764,699	277,521,186	1,243,513	0	0
As at 30 June 2016	699,676,957	733,104,190	329,718,001	35,422,461	358,626,059	9,337,669

The Company's liabilities as at 31 December 2015 by maturity:

(in EUR)	Carrying amount of liabilities	Liability	Contractual cash flows			
			0 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Non-current financial liabilities	345,975,338	374,805,094	0	0	372,896,724	1,908,370
Non-current operating liabilities (excluding other liabilities)	0	0	0	0	0	0
Current financial liabilities	107,964,350	121,476,905	34,977,149	86,499,756	0	0
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	249,186,412	249,186,412	247,124,948	2,061,464	0	0
As at 31 December 2015	703,126,100	745,468,412	282,102,097	88,561,220	372,896,724	1,908,370

The Company's liabilities as at 30 June 2016 by maturity:

(in EUR)	Carrying amount of liabilities	Liability	Contractual cash flows			
			0 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Non-current financial liabilities	283,592,750	301,728,464	0	0	301,728,464	0
Non-current operating liabilities (excluding other liabilities)	24,000	24,000	0	0	0	24,000
Current financial liabilities	130,273,892	141,751,254	111,381,238	30,370,016	0	0
Current operating liabilities (excluding liabilities to the state, employees and arising from advance payments)	242,869,978	242,869,978	242,426,879	443,099	0	0
As at 30 June 2016	656,760,620	686,373,696	353,808,117	30,813,115	301,728,464	24,000

Foreign exchange risk

The Group/Company is most exposed to the EUR/USD foreign exchange risk – in terms of value and volatility, as it purchases petroleum products in US dollars and sells in local currencies.

Hedging is performed in accordance with the Group's commodity and foreign exchange risk policies prepared on the basis of the Decree Setting Prices for Petroleum Products. The EUR/USD exchange rate is fixed at the rate recognised under the Decree Setting Prices for Petroleum Products and consequently the margin is secured. The Group/Company predominantly uses forward contracts to hedge EUR/USD risk.

Given that forward contracts for hedging against foreign exchange risks are entered into with first-class Slovene banks, the Group/Company considers the counterparty default risk as minimal.

The Group is exposed to foreign exchange risks also due to its presence in South-eastern Europe. The risk arises from sales in local currencies (HRK, BAM, RSD and MKD) in these markets. Given low volatility of above mentioned currencies towards EUR, relatively low exposures and illiquid local currency markets, the cost of hedging exceeds the risk. The Group is therefore not exposed to significant risks in this area.

The Group/Company regularly evaluates potential losses from currency changes in accordance with the VaR method.

In 2016 the Group/Company was also exposed to certain other currencies (RON, HUF), which were hedged by currency forwards.

Exposure to the exchange rates on other markets where the Group/Company is present with its companies is either smaller or their rates against the euro are significantly less volatile. We estimate that the change in the exchange rate would not have a significant impact on the operating profit.

Price risk

The Group/Company hedges petroleum product prices primarily by using commodity swaps (variable to fixed price swap). Partners in this area include global financial institutions, banks or suppliers of goods. The Group/Company considers the counterparty default risk as minimal.

Interest rate risk

The source of interest rate risk is funding with floating interest rate, mostly euribor based. Interest rate risk is hedged in accordance with the Group's interest risk policy. In 2015 we redefined the limits of exposure to interest rate risk. They take into account the risk of changes in euribor over the next year and cumulative over the next five years.

We use following instruments to hedge cash flow against interest rate risk:

- The Group/Company charges floating (euribor based) interest rate on overdue receivables,
- Liquidity surpluses are placed in the form of overnight deposits where interest rate changes so often that it becomes virtually floating,
- Interest rate swaps and
- Funding with fixed interest rate.

The Company/Group applies hedge accounting where the effects of the interest rate risk are recognized directly in equity.

Partners are first-class Slovene banks, therefore the Group/Company estimates that the counterparty default risk is minimal.

Capital Adequacy Management

The main purpose of capital adequacy management is to ensure financial stability, solvency and maximizing shareholder value. One of the instruments is dividend pay-out policy.

In June 2014 Petrol was rated investment grade (BBB-) by S&P followed by successful inaugural Eurobond issuance in the amount of EUR 265 million, which also proves our financial stability. On 24 June 2016, Standard & Poor's Ratings Services affirmed the „BBB-“ long-term credit rating and the „A-3“ short-term credit rating of Petrol d.d., Ljubljana.

Carrying amount and fair value of financial instruments

(in EUR)	The Petrol Group			
	30 June 2016 Carrying amount	Fair value	31 December 2015 Carrying amount	Fair value
Non-derivative financial assets at fair value				
Financial assets available-for-sale	2,850,989	2,850,989	1,764,945	1,764,945
Non-derivative financial assets at amortised cost				
Financial receivables	11,909,251	11,909,251	13,834,718	13,834,718
Operating receivables (excluding receivables from the state and non-current operating receivables)	270,312,285	270,312,285	322,554,825	322,554,825
Cash, cash equivalents and corporate income tax assets	30,307,952	30,307,952	34,595,395	34,595,395
Total non-derivative financial assets	315,380,477	315,380,477	372,749,883	372,749,883
Non-derivative financial liabilities at amortised cost				
Bank loans and other financial liabilities (without derivative fin.instr.)	(419,200,179)	(419,200,179)	(482,287,786)	(482,287,786)
Operating liabilities (excluding other non-current liabilities and current liabilities to the state, employees and arising from advance payments)	(278,764,699)	(278,764,699)	(295,345,597)	(295,345,597)
Total non-derivative financial liabilities	(697,964,878)	(697,964,878)	(777,633,383)	(777,633,383)
Derivative financial instruments at fair value				
Derivative financial instruments (assets)	964,818	964,818	2,295,710	2,295,710
Derivative financial instruments (liabilities)	(1,688,079)	(1,688,079)	(3,153,955)	(3,153,955)
Total derivative financial instruments	(723,261)	(723,261)	(858,245)	(858,245)

(in EUR)	Petrol d.d.			
	30 June 2016 Carrying amount	Fair value	31 December 2015 Carrying amount	Fair value
Non-derivative financial assets at fair value				
Financial assets available-for-sale	2,771,945	2,771,945	1,685,902	1,685,902
Non-derivative financial assets at amortised cost				
Financial receivables	38,673,319	38,673,319	28,675,837	28,675,837
Operating receivables (excluding receivables from the state and non-current operating receivables)	222,436,915	222,436,915	249,544,926	249,544,926
Cash, cash equivalents and corporate income tax assets	19,510,801	19,510,801	26,994,577	26,994,577
Total non-derivative financial assets	283,392,980	283,392,980	306,901,242	306,901,242
Non-derivative financial liabilities at amortised cost				
Bank loans and other financial liabilities (without derivative fin.instr.)	(412,859,830)	(412,859,830)	(450,508,724)	(450,508,724)
Operating liabilities (excluding other non-current liabilities and current liabilities to the state, employees and arising from advance payments)	(242,869,978)	(242,869,978)	(249,186,412)	(249,186,412)
Total non-derivative financial liabilities	(655,729,808)	(655,729,808)	(699,695,136)	(699,695,136)
Derivative financial instruments at fair value				
Derivative financial instruments (assets)	964,818	964,818	2,295,710	2,295,710
Derivative financial instruments (liabilities)	(1,006,812)	(1,006,812)	(3,430,964)	(3,430,964)
Total derivative financial instruments	(41,994)	(41,994)	(1,135,254)	(1,135,254)

25. Related party transactions

(in EUR)	The Petrol Group		Petrol d.d.	
	1-6 2016	1-6 2015	1-6 2016	1-6 2015
Sales revenue				
Subsidiaries	-	-	123,180,119	160,142,059
Jointly controlled entities	10,668,543	3,980,679	10,250,821	3,557,600
Associates	697,606	743,349	697,606	736,891
Cost of goods sold				
Subsidiaries	-	-	15,575,629	19,014,888
Jointly controlled entities	23,674,165	10,380,213	8,896,857	4,526,093
Associates	11,891,982	16,753,351	67,359	1,601
Cost of materials				
Subsidiaries	-	-	828,829	1,039,771
Jointly controlled entities	126,042	296,953	124,833	1,695
Associates	116,220	209,805	25,397	119,569
Cost of services				
Subsidiaries	-	-	385,696	2,128,605
Jointly controlled entities	0	2	0	2
Associates	1,063	14,595	1,063	14,442
Other costs				
Subsidiaries	-	-	4	56,367
Jointly controlled entities	6	446	0	0
Associates	1	1	1	1
Other revenues				
Subsidiaries	-	-	0	0
Jointly controlled entities	0	0	0	0
Associates	0	11,161	0	0
Other expenses				
Subsidiaries	-	-	0	0
Jointly controlled entities	0	0	0	0
Associates	0	0	0	0
Finance income from interests in Group companies				
Subsidiaries	-	-	0	102,571
Jointly controlled entities	151,423	1,694,633	150,000	150,000
Associates	2,616,911	3,684,237	519,980	389,985
Finance expenses for interests in Group companies				
Subsidiaries	-	-	0	0
Jointly controlled entities	116,364	131,459	0	0
Associates	96,428	56,198	0	0
Finance income from interest				
Subsidiaries	-	-	183,477	154,136
Jointly controlled entities	98,050	152,412	98,050	152,412
Associates	0	0	0	0
Finance expenses due to impairment of investments and goodwill				
Subsidiaries	-	-	0	0
Jointly controlled entities	0	0	0	0
Associates	0	0	0	0
Finance expenses for interest				
Subsidiaries	-	-	624,875	838,721
Jointly controlled entities	18,353	0	0	0
Associates	0	0	15,806	0

(in EUR)	The Petrol Group		Petrol d.d.	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Investments in Group companies				
Subsidiaries	-	-	287,555,443	286,097,454
Jointly controlled entities	50,336,079	50,451,020	2,512,140	2,512,140
Associates	119,315,593	117,494,379	52,852,540	53,206,341
Non-current financial receivables				
Subsidiaries	-	-	9,261,893	10,495,956
Jointly controlled entities	3,622,610	3,890,309	3,622,610	3,890,309
Associates	0	0	0	0
Non-current operating receivables				
Subsidiaries	-	-	0	0
Jointly controlled entities	1,426,404	0	0	0
Associates	0	0	0	0
Current operating receivables				
Subsidiaries	-	-	31,234,963	24,771,942
Jointly controlled entities	3,633,449	4,396,983	3,545,570	4,293,538
Associates	181,447	288,336	181,447	288,336
Current financial receivables				
Subsidiaries	-	-	18,223,804	6,371,220
Jointly controlled entities	610,909	541,000	610,909	541,000
Associates	0	0	0	0
Short-term deposits (up to 3 months)				
Subsidiaries	-	-	768,662	909,636
Jointly controlled entities	0	0	0	0
Associates	0	0	0	0
Short-term deferred costs and expenses				
Subsidiaries	-	-	0	0
Jointly controlled entities	0	0	0	0
Associates	0	0	0	0
Accrued revenue				
Subsidiaries	-	-	0	0
Jointly controlled entities	0	0	0	0
Associates	0	0	0	0
Current financial liabilities				
Subsidiaries	-	-	68,724,760	48,815,819
Jointly controlled entities	1,298,942	1,308,445	1,298,942	1,308,445
Associates	3,060	0	3,060	0
Non-current operating liabilities				
Subsidiaries	-	-	0	0
Jointly controlled entities	0	0	0	0
Associates	0	0	0	0
Current operating liabilities				
Subsidiaries	-	-	3,692,067	4,914,580
Jointly controlled entities	8,178,814	5,100,994	1,883,693	4,238,983
Associates	673,235	6,339,325	886	61,402

26. Contingent liabilities

Contingent liabilities for guarantees issued

(in EUR)	Petrol d.d.		Petrol d.d.	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Guarantee issued to:	Value of guarantee issued		Guarantee amount used	
Petrol d.o.o.	127,590,223	130,320,738	73,116,041	75,350,412
Petrol BH Oil Company d.o.o.	37,368,782	37,763,456	16,958,937	21,842,573
Petrol d.o.o., Beograd	10,274,896	10,286,923	1,500,000	1,570,000
Petrol Energetika d.o.o.	9,574,646	10,874,646	1,324,646	7,772,678
Petrol Plin d.o.o.	4,544,202	4,478,817	232,949	701,370
Petrol-Trade Handelsges.m.b.H.	3,200,000	25,200,000	2,250,000	2,750,000
Petrol Bucharest Rom SRL	2,500,000	0	0	0
Petrol Crna Gora MNE d.o.o.	2,380,000	10,880,000	4,343	2,036,550
Petrol Geoterm d.o.o.	929,444	796,954	132,490	224,086
Aquasystems d.o.o.	911,309	911,309	911,309	911,309
Eltec Petrol d.o.o., Beograd	360,000	360,000	4,034	27,229
Petrol Tehnologija d.o.o.	0	100,000	0	0
Eltec Petrol Hrvatska d.o.o.	0	96,884	0	78,505
Total	199,633,502	232,069,727	96,434,749	113,264,712
Other guarantees	10,981,731	16,190,445	10,981,731	16,190,445
Bills of exchange issued as security	2,693,867	2,373,804	2,693,867	2,373,804
Total contingent liabilities for guarantees issued	213,309,100	250,633,976	110,110,347	131,828,961

The value of a guarantee issued represents the maximum value of the guarantee issued, whereas the guarantee amount used represents a value corresponding to a company's liability for which the guarantee has been issued.

Contingent liabilities for lawsuits

The total value of lawsuits against the Company as defendant and debtor totals EUR 34,851,777. The Company's management estimates that there is a possibility that some of these lawsuits will be lost. As a result, the Company set aside short-term provisions, which stood at EUR 799,401 as at 30 June 2016.

The total value of lawsuits against the Group as defendant and debtor totals EUR 36,158,468. The Group's management estimates that there is a possibility that some of these lawsuits will be lost. As a result, the Group set aside short-term provisions, which stood at EUR 1,106,092 as at 30 June 2016.

27. Events after the reporting date

There were no events after the reporting date that would significantly affect the financial statements for the first six months of year 2016.

APPENDIX 1: ORGANISATIONAL STRUCTURE OF THE PETROL GROUP

